



7505 South Holden Street
Midvale, UT 84047
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www.midvalecity.org

**REDEVELOPMENT AGENCY OF MIDVALE CITY
MEETING AGENDA
OCTOBER 3, 2023**

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold an electronic and in-person meeting on the **3rd day of October, 2023** as follows:

Electronic & In-Person City Council Meeting

This meeting will be held electronically and in-person. **Public comments may be submitted electronically to the Board consideration at www.Midvalecity.org/government/contact-us by 5:00pm on October 2nd and will be included in the meeting record.**

The meeting will be broadcast on the following: You Tube: www.MidvaleCity.org/YouTube

7:00 PM OR IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING

I. GENERAL BUSINESS

A. WELCOME AND ROLL CALL

II. PUBLIC COMMENTS

Any person wishing to comment on any item not otherwise scheduled for public hearing on the agenda may address the Redevelopment Agency of Midvale City Board at this point by stepping to the microphone and giving his or her name for the record. **Comments should be limited to not more than three (3) minutes unless additional time is authorized by the Redevelopment Agency of Midvale City Board.** Citizen groups will be asked to appoint a spokesperson. This is the time and place for any person who wishes to comment on non-hearing items. Items brought forward to the attention of the Redevelopment Agency of Midvale City will be turned over to staff to provide a response outside of the Redevelopment Agency meeting.

III. CONSENT AGENDA

A. Consider Minutes of September 19, 2023 *[Rori Andreason, HR Director/City Recorder]*

IV. ACTION ITEM

A. Consider **Resolution No. 2023-15RDA** Approving Amendments to the Main Street Façade Improvement Program *[Kate Andrus, RDA Project Manager]*

V. ADJOURN

In accordance with the Americans with Disabilities Act, Midvale City will make reasonable accommodations for participation in the meeting. Request assistance by contacting the City Recorder at 801-567-7207, providing at least three working days' notice of the meeting. TTY 711

A copy of the foregoing agenda was provided to the news media by email and/or fax. The agenda was also posted at the following locations on the date and time as posted above: City Hall Lobby, on the City's website at www.midvalecity.org and the State Public Notice Website at <http://pmn.utah.gov>. Board Members may participate in the meeting via electronic communications. Board Members' participation via electronic

Redevelopment Agency Board
Meeting September 19, 2023

communication will be broadcast and amplified so other Board Members and all other persons present in the Council Chambers will be able to hear or see the communication.

DATE POSTED: SEPTEMBER 28, 2023

**RORI L. ANDREASON,
MMC**



REDEVELOPMENT AGENCY MEETING

Minutes

Tuesday September 19, 2023

Council Chambers
7505 South Holden Street
Midvale, Utah 84047

CHAIR: Marcus Stevenson

BOARD MEMBERS: Board Member Heidi Robinson
Board Member Paul Glover
Board Member Dustin Gettel
Board Member Quinn Sperry
Board Member Bryant Brown

STAFF: Matt Dahl, City Manager; Nate Rockwood, Assistant City Manager; Rori Andreason, HR Director/City Recorder; Garrett Wilcox, City Attorney; Aaron McKnight, Deputy City Attorney; Glen Kennedy, Public Works Director; Adam Olsen, Community Development Director; Laura Magness, Communications Director; Meggie Troili, RDA Project Manager; Kate Andrus, RDA Project Manager; Cody Hill, Economic Development Manager; Chief Randy Thomas, UPD; Chief Brad Larson, UFA; and Juan Rosario, Systems Administrator.

Chair Stevenson called the meeting to order at 8:44 p.m.

I. GENERAL BUSINESS

A. Roll Call - Board Members Dustin Gettel, Quinn Sperry, Bryant Brown, Heidi Robinson, and Paul Glover were present at roll call.

II. PUBLIC COMMENTS

There was no one who desired to speak.

III. CONSENT AGENDA

A. CONSIDER MINUTES OF AUGUST 8, 2023

MOTION: Board Member Paul Glover **MOVED** to approve the consent agenda. The motion was **SECONDED** by Board Member Quinn Sperry. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye

Board Member Heidi Robinson Aye
The motion passed unanimously.

IV. ACTION ITEMS

A. CONSIDER RESOLUTION NO. 2023-11RDA APPROVING A FIRST AMENDED AND RESTATED SERVICE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND NEIGHBORWORKS SALT LAKE TO ADMINISTER REVISED HOUSING PROGRAMS

Meggie Troili said on December 6, 2022, the Redevelopment Agency (RDA) Board passed Resolution No. 2022-16RDA approving two new housing programs as part of the Moderate Income Housing Plan (2019): Down Payment Assistance (DPA) and the Home Repair Loan Program (HRLP). On April 27, 2022, the RDA released a Request for Proposals (RFP) seeking qualified candidates to administer both the DPA and HRLP programs. A selection committee comprised of RDA and Community Development staff was formed to review the proposals and select a qualified candidate. The committee unanimously selected NeighborWorks Salt Lake (NWSL) to administer the programs. On August 8, 2023 the RDA Board approved Resolution No. 2023-10RDA to enter into a contract with NeighborWorks Salt Lake City to revise and administer both the DPA and HRLP programs. A list of program revisions are below. Revisions to the service agreement include postponing the cyber security insurance requirement for two years due to the cost and financial burden of such insurance. Furthermore, the RDA received additional CDBG funding to support the HRLP program which has also been updated in the service agreement.

Revisions to the Service Agreement

- Cyber security insurance will be required at year 2, before renewal of the contract can take place on September 19, 2025.
- Salt Lake County has tentatively awarded the RDA an additional \$75,000.00 in CDBG funds for the HRLP loan/grants.

Revisions to the Down Payment Assistance Program

- Increase DPA assistance from \$20,000 to up to \$25,000 per loan.
- Increase DPA assistance from \$25,000 to \$30,000 for Midvale residents or employees of the municipality.
- Apply deed restrictions during the lifetime of the DPA loan.
- A Down Payment Assistance Process is now included.
- NWSL Loan Policies are now included. Revisions to the Home Repair Loan Program

Revisions to the Home Repair Loan Program

- HRLP Loan/Grants are forgivable after 5 years (20% loan reduction each year)
- Updated from a low interest loan/grant program to zero interest.
- Does not require code deficiencies to qualify for assistance.
- Deed restrictions are applied during the lifetime of the HRLP loan
- Home Repair Loan Program Process is now included.

- NWSL Loan Policies are now included.

FISCAL IMPACT:

Up to \$250,000 annually (\$150,000 from RDA affordable housing restricted funds and \$100,000 from CDBG funding)

STAFF RECOMMENDATION:

Staff recommended approval of Resolution No. 2023-11RDA Approving a First Amended and Restated Service Agreement Between the Redevelopment Agency of Midvale City and NeighborWorks Salt Lake including revised Home Repair Loan Program (HRLP) and Down Payment Assistance (DPA) housing programs.

Meggie Troili reviewed the following presentation:

NeighborWorks Salt Lake Service Agreement & Housing Program Amendments:

Program History

December 6, 2022 The RDA Board passed Resolution No. 2022-16RDA Down Payment Assistance (DPA) and Home Repair Loan Program (HRLP)

April 27, 2022 RDA released a Request for Proposal (RFP) seeking qualified candidates to refine and administer the DPA and HRLP programs.

June 27, 2023 A selection committee of RDA and Community Development selected NeighborWorks Salt Lake (NWSL) to refine and administer the programs.

September 12, 2023 NeighborWorks will refine and finalize the DPA and HRLP programs for RDA Board approval on September 19, 2023

Service Agreement Amendments

Cyber Insurance

Cyber Insurance is now required at year 2, before renewal of the contract can take place on September 19, 2025

CDGB Funding

Salt Lake County has tentatively awarded the RDA an additional \$75,000,000 in CDBG funds for the HRLP Loan/grant

Agreement Title and Recitals Updated

Down Payment Assistance (DPA) Amendments

- Increase DPA assistance from \$20,000 to up to \$25,000 per loan
- Increase DPA assistance from \$25,000 to \$30,000 for Midvale residents or employees of a public entity operating within Midvale. To qualify, the resident or

employee must have lived in Midvale or worked for a public entity within Midvale for at least one year.

- Apply deed restrictions during the lifetime of the DPA loan
- A Down Payment Assistance Process is now included
- NWSL Loan Policies are now included

Home Repair Loan Program (HRLP) Amendments

- HRLP Loan/Grants are forgivable after 5 years (20% reduction each year
- Updated from a low interest loan/grant program to zero interest
- Does not require code deficiencies to qualify for assistance
- Deed restrictions are applied during the lifetime of the HRLP loan
- Home Repair Loan Program Process is now included
- NWSL Loan Policies are now included

Annual Administrative Costs & Fees

ACTION ITEM		
NeighborWorks Salt Lake Service Agreement & Housing Program Amendments		
ANNUAL ADMINISTRATIVE COSTS & FEES		
ITEM	COST	UNIT
DPA and HRLP Program Administration & Refinement	\$12,500	Annually
Loan Servicing Fee (60 Months)	\$810.00	Per Loan
Loan Set-up Fee	\$45.00	Per Loan
Loan Tax Service Fee	\$77.00	Per Loan
Loan Processing Fee	\$763.00	Per Loan
Grant Processing Fee	\$500	Per Loan
Total Administrative Costs = \$32,556 (\$25,000 covered with CDBG funds)		
HRLP = \$150,000 + 75,000 CDBG funds for HRLP Loan/Grants = \$225,000		
DPA = \$225,000		

Tony Salone, Director of Homeowner services for NeighborWorks Salt Lake, said he recommended forgivable loans with no payment and interest rate would really help the community. Another recommendation is the health and safety of the home. He also suggest an increase in the down payment assistance amounts.

Maria Garcia, NeighborWorks, said when the inspections are done, it is important to them to ensure the health and safety of the home.

MOTION: Board Member Quinn Sperry MOVED to Adopt Resolution No. 2023-11-RDA Approving the updated and First Amended and Restated Service Moderate Income Housing Program Administration Services Agreement between the Redevelopment Agency of Midvale City and NeighborWorks Salt Lake and the revised Home Repair Loan Program (HRLP) and Down Payment Assistance (DPA) housing programs. The motion was SECONDED by Board Member Dustin Gettel. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown Aye
Board Member Dustin Gettel Aye
Board Member Paul Glover Aye
Board Member Quinn Sperry Aye
Board Member Heidi Robinson Aye

The motion passed unanimously.

B. CONSIDER RESOLUTION NO. 2023-12RDA ADOPTING FIRST AMENDMENTS TO PURCHASE AGREEMENT FOR THE DEVELOPMENT OF LAND BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND THE COURT PARTNERS LLC DEVELOPMENT LOCATED AT 7555 SOUTH MAIN STREET

Cody Hill said on March 28, 2023 The Redevelopment Agency of Midvale City ("RDA") and The Court Partners LLC, ("Developer") entered into a Purchase Agreement for Development of Land (the "Purchase Agreement") in which Developer would develop a three-story mixed-use building located at 7555 South Main Street, with commercial on the bottom floor and two (2) studio units and fourteen (14) one-bedroom units on the second and third floors (the "Project"). The total anticipated development cost will be approximately \$4.8M. The Project will be funded first by Developer's own capital (\$1.1M), followed by tranches of RDA affordable housing funds (\$1.9M), and finally by a construction loan (\$1.8M) from Altabank.

The RDA would like to see the Developer be successful in developing the site as proposed. However, market conditions have created challenges to the Project's feasibility as originally contemplated and outlined in the Purchase Agreement. The RDA staff and Developer have developed solutions to problems created by unfavorable market conditions while maintaining the development as proposed. To a large extent the solution has been through the use of the upper floor housing program. The following agreements are required to make the development move forward as planned:

- First Amendment to Purchase Agreement;
- Agreement Regarding Purchase and Finance; and
- Main Street Upper Floor Housing Incentive Agreement

Because all three agreements affect each other and are tied to the Developer's Project, a brief description is provided of how they impact the Project and each other.

First Amendment to Purchase Agreement

- References the other two agreements,
- Includes additional default and agreement termination conditions related to the other agreements including the 20-year deed restriction requirement for the affordable housing incentive program.,
- Specifies agreement's survivability to outlast the closing on the property, and
- Includes indemnification from Altabank. Agreement Regarding Purchase and Finance

Agreement Regarding Purchase and Finance

- Developer's lender, Altabank, required assurances that, in the unlikely event of a Developer default, Altabank would not end up possessing the property, Project, or any obligations to complete the Project; and
- The RDA is willing and able to commit to paying off any outstanding principal owed by Developer and then assuming the property and Project. Main Street Upper Floor Housing Incentive Agreement

Main Street Upper Floor Housing Incentive Agreement

- To help finance the Project, the RDA will provide \$1.9M to Developer. Developer will rent all sixteen residential units for twenty years at affordable rates to households at the 60% area median income level and
- The \$1.9M will be distributed in tranches to provide additional risk mitigation to the RDA.

The First Amendments to the Purchase Agreement being proposed includes a few other elements outlined below and found in complete detail in Exhibit A: First Amendments to Purchase Agreement.

- The RDA is entitled to ownership of all documents in Section 3 (architectural plans, drawings, construction contract, etc.);
- Specify reimbursement for specific improvement - bulb-out;
- Removal of requirement for a completion bond and instead requiring personal guarantees; and
- Inclusion of the address, 695 W. Fifth Avenue, Midvale, Utah. Implementing these amendments would not alter the Project or Purchase Agreement's goals, focus, intent, or final product. It will enable Developer to complete their financing and move forward with the Project while providing the requisite guarantees and risk mitigation for the RDA.

PLAN COMPLIANCE:

Amending the Purchase Agreement for the Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC. will enable Developer to obtain key financing, begin their development of the property located at 7555 South Main Street, and construct housing that will be affordable for 20 years. This aligns with RDA objectives and goals. F

FISCAL IMPACT: None

STAFF RECOMMENDATION:

The Agency staff recommended passing Resolution No. 2023-12RDA adopting first amendments to Purchase Agreement for the Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC. Development located at 7555 South Main Street.

MOTION: Board Member Dustin Gettel **MOVED** to suspend the rules and adopt Resolution No. 2023-12RDA adopting first amendments to Purchase Agreement for the Development of Land Between Redevelopment Agency of Midvale City and The Court Partners, LLC. Development located at 7555 South Main Street with the following changes to 3.3, removal, “maybe assigned and assumed by an assignee of the RDA or”, and that RDA is an intended third party beneficiary of Developer’s obligations to the Lender.” And including the work, “shall be”, To read, “(ii) in the event of a default by Developer, any deed of trust related to the Construction Financing shall be purchased by the RDA; and (iii) all bonds provided by the Contractor shall identify RDA as a Co-obligee.” The motion was **SECONDED** by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

C. CONSIDER RESOLUTION NO. 2023-13RDA APPROVING THE MAIN STREET UPPER FLOOR HOUSING INCENTIVE AGREEMENT FOR THE COURT PARTNERS DEVELOPMENT LOCATED AT 7555 SOUTH MAIN STREET

Meggie Troili said on March 28, 2023, the Redevelopment Agency of Midvale City (RDA) and The Court Partners LLC, (Developer) entered into a Purchase Agreement for the Development of Land (the Purchase Agreement), which would include a three-story building located at 7555 South Main Street, with two (2) studio units and fourteen (14) one-bedroom units (the Project). The Project as set forth in the Purchase Agreement is unchanged, but for the conversion of the sixteen (16) units to affordable housing for households who fall on or below 60% AMI through the Main Street Upper Floor Housing Initiative.

The RDA created the Main Street Upper Floor Housing Initiative by Resolution No. 2021-09RDA on June 1st, 2021 (the “Initiative”). The Developer subsequently applied for funding under the Initiative and on June 6, 2023, the RDA issued a letter of pre-approval of Developer’s application for funding under the Initiative of up to \$1,917,056.00 (the “Incentive”) pursuant to Resolution No. 2023-07 RDA. This incentive is funded by restricted affordable housing funds generated through tax increment from our three project areas: Bingham Junction, Jordan Bluffs, and the Main Street CDA.

Key Terms in the Incentive Agreement:

- RDA agrees to provide a financial incentive to Developer up to \$1,917,056.00.
- 100% of the units will be leased to households who fall on or below 60% AMI (2 Studios and 14 one-bedroom units)
- Term length is 20 years with a buyback option at 15 years.
- Developer will submit an annual lease rates including eligibility of each leasee, to be approved by the RDA.
- Scheduled disbursements will occur after the Developer has contributed \$1,100,000.00 to the project.
- Builders risk insurance is required at the expense of Developer.

FISCAL IMPACT:

\$1,917,056 from the RDA’s restricted affordable housing funds.

STAFF RECOMMENDATION:

The Agency staff recommended passing Resolution No. 2023-13RDA Approving the Main Street Upper Floor Housing Incentive Agreement for the Court Partners Development Located at 7555 South Main Street.

MOTION: Board Member Quinn Sperry MOVED to Adopt Resolution No. 2023-13RDA Approving the Main Street Upper Floor Housing Incentive Agreement for the Court Partners Development Located at 7555 South Main Street. The motion was SECONDED by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

D. CONSIDER RESOLUTION NO. 2023-14RDA ADOPTING AND ENTERING INTO THE AGREEMENT REGARDING PURCHASE AND FINANCE WITH THE COURT PARTNERS LLC AND ALTABANK

CONCERNING THE DEVELOPMENT LOCATED AT 7555 SOUTH MAIN STREET

Cody Hill said on March 28, 2023 The Redevelopment Agency of Midvale City ("RDA") and The Court Partners LLC, ("Developer") entered into a Purchase Agreement for Development of Land (the "Purchase Agreement") in which Developer would develop a three-story mixed-use building located at 7555 South Main Street, with commercial on the bottom floor and two (2) studio units and fourteen (14) one-bedroom units on the second and third floors (the "Project").

Developer is seeking a \$1.8M loan from Altabank. One concern Altabank has, however, is that if Developer defaults on their loan or on an agreement with the RDA, there could be uncertainty with which entity would have claim to the property (Altabank or the RDA) and how the principal balance of the loan would be paid off. The RDA staff believes that the preferred outcome under instances of Developer default would be for the RDA to take control of the property so that it has control over the Project, any remaining development work, and who would own the property in the future. For this reason, in the unlikely event of a developer default, the RDA staff is proposing to pay off the principal balance of the Altabank loan with no prepayment penalty. Agreeing to this term will facilitate Developer's financing by eliminating ambiguity and risk for Altabank.

RDA Staff proposes entering into this agreement between the RDA, the Developer, and Altabank as depicted in Exhibit A: Agreement Regarding Purchase and Finance.

PLAN COMPLIANCE:

Entering into Agreement Regarding Purchase and Finance will enable Developer to obtain key financing, begin their development of the property located at 7555 South Main Street, and construct housing that will be affordable for 20 years. This aligns with RDA objectives and goals.

FISCAL IMPACT:

Potential increase in RDA assets up to \$4,836,216 (\$1,100,000 Developer's capital going into Project first, \$1,917,056 RDA affordable housing money from Upper-floor REDEVELOPMENT AGENCY OF MIDVALE CITY Meeting Date: September 19, 2023 Housing Incentive Program, and \$1,819,160 loan from Altabank that the RDA would have to pay any remaining principal at once in event of default). Of the \$4,836,216 increase in assets, a maximum of \$3,736,216 would come from RDA funds.

STAFF RECOMMENDATION:

Agency staff recommended passing Resolution No. 2023- 14RDA Adopting and entering into the Agreement Regarding Purchase and Finance with the Court Partners, LLC. and Altabank concerning the Development located at 7555 South Main Street.

MOTION: Board Member Dustin Gettel MOVED to suspend the rules and Adopt Resolution No. 2023-14RDA Adopting and entering into the agreement regarding purchase and Finance with the Court Partners, LLC. and

Altbank concerning the Development located at 7555 South Main Street. The motion was SECONDED by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

**Board Member Bryant Brown Aye
Board Member Dustin Gettel Aye
Board Member Paul Glover Aye
Board Member Quinn Sperry Aye
Board Member Heidi Robinson Aye**

The motion passed unanimously.

V. DISCUSSION ITEM

A. DISCUSSION REGARDING PROPOSED AMENDMENTS TO THE MAIN STREET FAÇADE IMPROVEMENT PROGRAM

Kate Andrus said on December 6, 2022, the RDA Board approved the Main Street Façade Improvement Program. The goal of the program is to improve the exterior of buildings within the Main Street area as a tool to attract new businesses, maintain existing businesses, and make Main Street a desirable place to work, live and shop.

Since its adoption, there has been ample interest in the program, but no actual participation. In speaking with those interested, potential applicants stated that the extent of the renovations desired and the associated higher cost of construction has continued to prohibit many from moving forward with improvements, despite the funding incentives provided by the program. Furthermore, staff has received feedback that the requirement to convey an easement to be held in perpetuity to the RDA has posed as a large deterrent to applicants, especially those hoping to provide more minor yet, costly improvements like that of installing new windows and/or adding exterior paint. In response, staff is proposing the following amendments to this program. These amendments are suggested as ways to overcome the higher cost of construction and to provide more flexibility for the RDA Board and staff when matching easement terms to the type of improvements being made. One of the key goals of the program is to make meaningful improvements to the street that benefit all owners and tenants of the street and to put available funding to use now.

Façade Eligibility:

- Eligibility limited to façades facing public streets or public parking areas.

Maximum Grant Award Amount:

- Increase in the maximum grant award amount from \$30,000 to \$50,000 per property for façade projects.

Corner Lot Provision:

- Additional \$25,000 award for buildings on corner lots with two prominent façades facing a public road or public parking areas.

Easement Terms:

- Easement terms to be determined by the RDA Board.
- Recommendations will be provided by the Advisory Board.

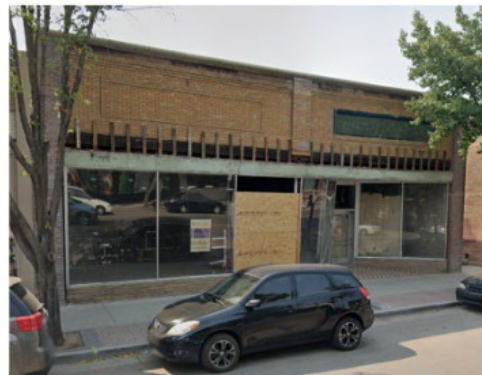
Staff believes that these changes will enhance the program's effectiveness, remove barriers, and provide a flexible approach in protecting the RDA Board's investment into improvements that they would like to see preserved for the foreseeable future. As a result, these changes will ensure that the Main Street Façade Improvement Program is an effective tool in fulfilling the objectives of the Main Street CDA.

Fiscal Impact:

Due to the increased grant amount, staff is proposing an increase in the Main Street Façade Program budget, from \$105,000 to \$175,000 for this fiscal year. If the RDA Board approves the recommended program amendments, staff will return to the board with a budget amendment.

Kate Andrus reviewed the following presentation:

Façade Improvement Program



Program Terms: Proposed Changes

Maximum grant award of \$35,000 is permitted per project.

The grant award amount shall not exceed 50% of the total cost of the improvements to the façade(s).

Grant awards are provided as a reimbursement.

Documentation will need to show proof of prior payments, including the release of any liens held by contractors.

Awardees agree to maintain and keep in good repair the façade or improvement.

Conveyance of a façade easement to the RDA to be held in perpetuity is required.

The City of Midvale and RDA assume no liability for any work that is done pursuant to this program.

If the building is currently vacant, the applicant has 12 months from the date of project completion to arrange a tenant.

Maximum grant award of \$50,000 is permitted per project. Additional \$25,000 award for buildings on corner lots with two prominent facades facing a public road or public parking lot.

Easement terms to be determined by the RDA Board. Recommendations will be provided by the Advisory Board and will be based on the type of improvements being made. *Easement terms could be anywhere from 5-10 years to being held in perpetuity.

Why?



The proposed changes will:

Enhance	Provide	Deliver	Utilize
the program's effectiveness and remove barriers.	a flexible approach in protecting the RDA Board's investment into improvements that they would like to see preserved for the foreseeable future.	meaningful improvements to the street that benefit all owners and tenants of the street.	available funding to use now, leading to an immediate impact on the street.

Fiscal Impact:

If the proposed changes are approved, staff would recommend increasing to Main Street Façade Improvement Program budget to \$175, for this fiscal year.

VI. ADJOURN

MOTION: Board Member Paul Glover MOVED to adjourn the meeting. Board Member Dustin Gettel SECONDED the motion. Chair Stevenson called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

The meeting adjourned at 9:38 p.m.

Rori L. Andreason, MMC
City Recorder

Approved on this 3rd day of October, 2023.



REDEVELOPMENT AGENCY OF MIDVALE SUMMARY REPORT

Meeting Date: October 3, 2023

Subject:

Consider Resolution 2023-15RDA approving amendments to the Main Street Façade Improvement Program.

Submitted By:

Kate Andrus, Redevelopment Agency Program Manager

Summary:

On December 6, 2022, the RDA Board approved the Main Street Façade Improvement Program. The goal of the program is to improve the exterior of buildings within the Main Street area as a tool to attract new businesses, maintain existing businesses, and make Main Street a desirable place to work, live, and shop.

Since its adoption, there has been ample interest in the program, but no actual participation. In speaking with those interested, potential applicants stated that the extent of the renovations desired and the associated higher cost of construction has continued to prohibit many from moving forward with improvements, despite the funding incentives provided by the program. Furthermore, staff has received feedback that the requirement to convey an easement to be held in perpetuity to the RDA has posed as a large deterrent to applicants, especially those hoping to provide more minor yet, costly improvements like that of installing new windows and/or adding exterior paint. In response, staff is requesting the approval of the the following amendments to this program. These amendments will help to overcome the higher cost of construction and provide more flexibility for the RDA Board and staff when matching easement terms to the type of improvements being made. One of the key goals of the program is to make meaningful improvements to the street that benefit all owners and tenants of the street and to put available funding to use now.

Façade Eligibility:

- Eligibility limited to facades facing public streets or public parking areas.

Maximum Grant Award Amount:

- Increase in the maximum grant award amount from \$30,000 to \$50,000 per property for façade projects.

Corner Lot Provision:

- Additional \$25,000 award for buildings on corner lots with two prominent facades facing a public road or public parking lot.

Easement Terms:

- Easement terms to be determined by the RDA Board.
- Recommendations will be provided by the Advisory Board.

Fiscal Impact:

Due to the increased grant amount, staff is requesting an increase in the Main Street Façade Program budget, from \$105,000 to \$175,000 for this fiscal year. If the RDA Board approves the recommended program amendments, staff will return to the board with a budget amendment.

Recommended Motion:

I move that we adopt Resolution 2023-15RDA approving amendments to the Main Street Facade Improvement Program.

Attachments:

Resolution No. 2023-15RDA
Amended Main Street Façade Improvement Program

**THE REDEVELOPMENT AGENCY OF MIDVALE CITY
RESOLUTION NO. 2023-15RDA**

**A RESOLUTION APPROVING AMENDMENTS TO THE MAIN STREET FAÇADE
IMPROVEMENT PROGRAM.**

WHEREAS the Redevelopment Agency of Midvale City (“Agency”) was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act; and

WHEREAS, on November 17, 2015, the Agency adopted Resolution 2015-13RDA approving the CDA Project Area Plan for the Midvale Main Street CDA Project Area; and

WHEREAS, on October 6, 2020, the Agency adopted Resolution 2020-11RDA adopting the Main Street Community Development Area Budget; and

WHEREAS, on December 6, 2022, the Agency adopted Resolution 2022-17RDA approving the Main Street Façade Improvement Program (the “Program”); and

WHEREAS, funds available in the amount of \$105,000 were allocated towards the Program in FY2023, but never utilized due largely to issues that developers, property owners, and tenants have with the Program; and

WHEREAS, Agency staff crafted amendments to the Program based on developer, property owner, and tenant feedback to improve the Program and make it viable and accessible to these stakeholders that the Program is intended to serve; and

WHEREAS, the proposed amendments will help overcome the higher cost of construction and provide more flexibility for the Agency when matching easement terms to the type of improvements being made.

WHEREAS, funds available in the amount of \$175,000 will be allocated towards the Program in FY2024, to be utilized as reimbursable grants for the purposes of providing durable investments into the façades of buildings to improve the area’s aesthetic, attract private investment, increase property values, and increase economic activity; and

WHEREAS, the Agency believes that the Amended Main Street Façade Improvement Program will support the City and Agency’s goals within the Main Street Area.

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Board of Directors does hereby authorize the Chief Administrative Officer and Executive Director to implement the proposed amendments to the Main Street Façade Improvement Program to promote and incentivize the redevelopment of Midvale City’s Main Street.

Passed and Adopted by the Board of Directors of the Redevelopment Agency of Midvale City, State of Utah, this _____ day of _____, 2023.

Marcus Stevenson,
Chief Administrative Officer

Matt Dahl
Executive Director

ATTEST:

Rori L. Andreason, MMC
Secretary

Voting by the Board: “Aye” “Nay”

Quinn Sperry	_____	_____
Paul Glover	_____	_____
Heidi Robinson	_____	_____
Bryant Brown	_____	_____
Dustin Gettel	_____	_____

Exhibit A: Amendments to the Main Street Façade Improvement Program

Main Street Façade Improvement Program



Purpose: The purpose of the Main Street Façade Improvement Program is to promote the revitalization of commercial properties along Midvale's Main Street by providing financial assistance to building owners and tenants for the improvement and maintenance of existing commercial buildings. The program will ~~provide durable~~ facilitate investments in the façades of buildings within the Community Development Area ("CDA") to improve the area's aesthetic ~~character~~; attract private investment; increase property values; and increase economic activity.

Funding: Funding will be allocated through the RDA budget and will be ~~dispensed-disbursed~~ on a first-come, first-serve basis, ~~until while~~ funding ~~is exhausted~~ lasts. All grants awarded will require a matching dollar for dollar expenditure by the owner or tenant. In addition, an easement on the façade shall be conveyed by the property owner to the Redevelopment Agency of Midvale City ~~to be held in perpetuity~~.

Proposals will be considered on a case-by-case basis and evaluated based on the ~~ability~~ possibility of the project to further the goals of the Main Street CDA.

Terms:

- Maximum grant award of \$50,000 is permitted per for a projectfaçade project per property, provided that the façade faces a public street or public parking area.
 - The award cap may be increased by up to \$25,000 for buildings located on corner lots with two prominent facades.
- The grant award amount shall not exceed 50% of the total cost of the improvements to the façade(s).
 - ~~Grant Awards-awards~~ are provided as a reimbursement after all associated work listed on the approved scope of work has been completed; ~~all~~.
 - ~~Staff will require releases of all~~ contractor liens have been released; ~~and staff has~~ verified other documentation that ~~verifies completion of all~~ final payments have been made by the grant recipient; and the property owner has provided the RDA with a façade easement in a form acceptable to the RDAprior to releasing the funds.
 - Each grant recipient agrees to maintain and keep in good repair the façade or improvements. This will ensure that any improvements funded by the RDACity will remain in good condition and repair regardless of change in ownership.
- ~~The property owner must convey to the RDA a façade easement held in perpetuity.~~
 - ~~This will ensure that any improvements funded by the City will remain in good condition and repair regardless of change in ownership.~~

- ~~At the final discretion of the RDA Board, the terms of the easement may be will be decided on a case-by-case basis to protect the following improvements, which help achieve~~ the goals of the Main Street CDA:
 - Historical preservation of landmarks (i.e. Vincent Drug sign.)
 - Improved appearance of ~~the~~ façades.
 - Any additions or modifications made to the exterior.
- The City of Midvale and RDA assume no liability for any work that is done pursuant to this program. The applicant agrees to hold both the City of Midvale and the RDA harmless from all liability claims.
- If the building is currently vacant, ~~the~~ applicant must demonstrate a plan for achieving occupancy and secure a tenant within 12 months of the project completion date with a lease of at least three years. Failure to do so by the applicant will result in the requirement to repay the grant back to the RDA.

Oversight: The program will be managed by the Redevelopment Agency of Midvale City with administrative participation by the Main Street Façade Improvement Advisory Board.

Main Street Façade Improvement Advisory Board: The Advisory ~~board~~ Board will consist of five members:

RDA ~~representative~~ Representative
 City Planner
 RDA Board Member
 Community Development Representative
 Main Street Business Alliance Representative

Other members might be brought on to provide insight depending on the project. These include the: City Engineer, the Public Works Director, a historic representative, a Planning Commission member, and those involved in design, construction, use, ~~and~~ or maintenance.

Eligibility:

- Applicants must be owners or tenants of real property located within the Main Street CDA.
- ~~Tenants must provide written consent of the building owner.~~
- Property tax payments must be current.
- Business owners must hold a valid business license.
- ~~The~~ Applicants must possess and provide proof of ownership. If a tenant, proof of ownership must be verified by the building owner and a copy of the lease agreement provided to the RDA.
- All building materials used in the improvements to the façade must have a minimum certified life of 30 years.
- All buildings must have commercial activity as its primary purpose including, but not limited to, traditional retail, specialty shops, services, restaurants and bars, live entertainment, cultural venues, and galleries. ~~Mixed-Mixed-Use-use~~ buildings will be considered in commercial buildings, provided the commercial use is located on the ground level.
- All improvements must comply with current City zoning and building codes.

- All ~~improvements~~ improvements, which contribute to the purposes of the Main Street Façade Improvement Program ~~stimulation of activity~~, must achieve the following:
 - Provide a noticeable contribution to Main Street's revitalization efforts.
 - ~~Should be~~ consistent with the aspirational character of and vision for Main Street.
 - ~~Should~~ Support and enhance pedestrian accessibility and be pedestrian oriented.

Eligible Activities:

- Repair ~~to~~ building exterior façades (front, rear, and side façades are eligible).
- Repair m~~Masonry repair.~~
- Clean ~~ing of~~ building exterior.
- Paint e~~Exterior painting.~~
- Repair ~~ing~~ or replace ~~ing~~ cornices, entrances, doors, windows, decorative detail, and awnings.
- Sign construction, repair, or replacement.
- Other repairs or improvements that may enhance the aesthetic quality of the façade~~building~~.
- Accentuate ~~ing of~~ existing features of the building through painting, lighting, restoration, replacement, cleaning, or other treatment of exterior surfaces.
- Add~~The addition of~~ design elements which may have appeared on buildings built in the same period.

Ineligible Activities

- Interior improvements, ~~(except window display areas~~ viewable by the public~~).~~
- Roofing.
- Sidewalks.
- ~~Purchase of f~~Furnishings, equipment, or other personal property which does not become a permanent part of the ~~real estate~~building.
- Improvements completed or in progress prior to notification of approval.
- Repair or creation of features not compatible with the original architecture of the building.

Process:

1. Fill out and submit a completed application which includes a written scope of work describing the proposed improvements, including all materials and color schemes. The application must be submitted with the following supporting documentation:
 - Current photograph of the property to be improved.
 - Schematics (drawings or renderings of proposed improvements.)
 - Two written cost estimates describing the cost of the scope of work by licensed construction contractors or contractors appropriate to work being performed.
 - Copy of ~~recorded property deed~~ a title report for the property that is less than 60 days old.
 - Written ~~Consent~~ consent of property owner, if applicable.
2. The submitted application will be reviewed by the Redevelopment Agency Program Manager and Planning staff for completeness and eligibility.
3. All eligible projects will be reviewed and scored during a review meeting by the Main Street Façade Improvement Advisory Board to ~~access~~ assess the project's overall contribution to the revitalization of the Main Street area. The applicant will be required to attend this meeting to answer any questions the ~~advisory~~ Advisory board ~~Board feels is~~ deems necessary to make a

recommendation on the proposed project. The Advisory Board will provide ~~said a~~ recommendation regarding whether the proposed project should receive an award, the funding amount of the award, as well as and the proposed terms of the easement to the Agency's Board of Directors. ~~The Agency's Board of Directors, who~~ will determine final approval, the funding amount, and the terms of the easement for the project.

4. Once approved by the RDA Board, the applicant must enter into a ~~Grant grant~~ agreement with the RDA.
5. Construction on the project must begin within 90 days of final approval.
6. Upon completion of the project, ~~the applicant~~ the applicant shall request a final walk-through with RDA staff to confirm construction was completed in the manner approved by the Main Street Advisory Board.
7. Upon such determination of compliance and to obtain ~~their~~ reimbursement, the ~~a~~Applicant shall:
 - a. Submit a Façade Program Reimbursement Request Form and IRS Form W-9. The request shall be accompanied by billing documentation including, but not limited to, invoices, receipts, release of liens, photos of the finished work, and affidavits in order to support the reimbursement.
 - b. ~~Enter-Execute~~ an easement ~~agreement~~ with the RDA based on the terms approved by the ~~Main Street Façade Improvement Advisory Board and the Redevelopment Agency of Midvale City~~ RDA Board.

Selection Criteria: The following aspects may be considered by the ~~advisory~~ Advisory board Board when evaluating the proposed project.

- The level of private investment utilized for the renovation.
 - Applicants providing more than a 50% match will receive higher priority.
- The potential impact the project will have on the surrounding area.
 - ~~Visual prominence/significance.~~
- Whether the proposed improvements contribute to the overall revitalization of Main Street.
- The building's level of blight.
- Whether the building is abandoned.
- Whether the applicant has been awarded façade grants in the recent past.
- ~~Whether the applicant can demonstrate a financial need. (If assessed, additional information may be required).~~