



REDEVELOPMENT AGENCY OF BOUNTIFUL CITY AGENDA

**Tuesday, November 28, 2023
Immediately following City Council meeting**

NOTICE IS HEREBY GIVEN that the Board of Directors of the Bountiful City Redevelopment Agency (RDA) will hold a meeting at Bountiful City Hall, 795 South Main Street, Bountiful, Utah, at the time and date given above. The public is invited to attend. Persons who require special accommodations by contacting the Bountiful Planning Office at 801-298-6190. Notification at least 24 hours prior to the meeting would be appreciated.

AGENDA

1. Welcome
2. Consider approval of Minutes for August 8, 2023.
 - Review
 - Action
3. Consider amending the terms of a 2018 loan for Renaissance Place Apts. Located at 1509 South Renaissance Towne Drive, Bruce Broadhead and Brian Knowlton, applicants.
 - Review
 - Action
4. Adjourn

**Draft Minutes of the
BOUNTIFUL REDEVELOPMENT AGENCY**

Tuesday, August 8, 2023

8:46 pm

Official notice of the Redevelopment Agency Meeting was given by posting an Agenda at City Hall and on the Bountiful City Website and the Utah Public Notice Website.

Location: Bountiful City Hall Chambers, 795 South Main Street, Bountiful, Utah

Present:	Chairwoman	Kendalyn Harris
	Board Members	Millie Segura Bahr, Kate Bradshaw, Richard Higginson, Cecilee Price-Huish (via Zoom)
	RDA Director	Francisco Astorga
	City Manager	Gary Hill
	Asst. City Manager	Galen Rasmussen
	City Attorney	Clint Drake
	Planning Director	Francisco Astorga
	City Engineer	Lloyd Cheney
	Recording Secretary	Maranda Hilton
Excused:	Board Member	Jesse Bell

WELCOME

Chairwoman Harris opened the meeting at 8:46 pm. and welcomed everyone.

CONSIDER APPROVAL OF MINUTES FOR JUNE 13, 2022

Board Member Bradshaw made a motion to approve the minutes from June 13, 2022, and Board Member Higginson seconded the motion. The motion passed with members Bahr, Bradshaw, Higginson, and Price-Huish voting “aye.”

**CONSIDER APPROVAL OF THE PURCHASE OF AIR CONDITIONING ROOF TOP UNIT
FROM AMERICAN CHILLER IN THE AMOUNT OF \$24,568**

Mr. Astorga explained that any purchase over the amount of \$20,000 must be approved by the RDA Board.

Board Member Bradshaw made a motion to approve the purchase of the rooftop air conditioning unit for the BDAC and Board Member Bahr seconded the motion. The motion passed with members Bahr, Bradshaw, Higginson, and Price-Huish voting “aye.”

ADJOURN

Board Member Higginson made a motion to adjourn the meeting and Board Member Bradshaw seconded the motion. The motion passed with members Bahr, Bradshaw, Higginson, and Price-Huish voting “aye.”

The meeting was adjourned at 8:48 pm.

Kendalyn Harris, RDA Chair

City Recorder

RDA Staff Report

Subject: Renaissance Place Apts. Loan Modification
Property: 1509 South Renaissance Towne Drive
Author: Francisco Astorga, Agency Director
Date: November 28, 2023



Background

On November 15, 2023, Renaissance Place LLC / Broadhead & Associates LLC, represented by Bruce Broadhead, submitted a request to modify the current loan that was used to finance part of the construction of a mixed-use building on pad 9 at Renaissance Town Center. The built structure consists of a five (5) story building with ground floor commercial space (approx. 4,600 sq. ft.) and forty (40) residential units (apartments) above the commercial space, see attachment 1. On March 27, 2018, the Bountiful City RDA authorized the following loan with its corresponding terms (see [staff report](#) and meeting [minutes](#)):

1. *Loan Value: \$550,000*
2. *Amortization Period: 20 years*
3. *Call: 5 years*
4. *Interest Rate: 3%*
5. *Payment Schedule: Monthly*
6. *Security: First Position Trust Deed*
7. *Other: This offer sunsets April 27, 2018, is not assignable, and may not be extended*

The applicant requests modifying the loan terms by extending the call provision from the original five (5) years to a total of seven (7) years, i.e., extending the call by two (2) years. The call payment is currently due on December 31, 2023.

Analysis

The applicant explains in their statement that their business plan after construction completion and leasing units was to refinance through HUD; however, due to unanticipated HUD underwriting delays, as well as current interest rate increases, they have found the refinancing in the current market undesirable. They explain that in their proposal they would delay refinancing for two (2) years and all other loans terms would remain the same.

Staff has analyzed the requested loan modification as proposed by the applicant. Due to the unusual request to extend the call provision and the RDA's responsibility to taxpayers to have consistent returns on investment based on current market trends, Staff recommends that the RDA extend the call date to the requested two (2) additional years, totaling seven (7) years from loan origination, with an interest rate of seven percent (7%) for the two (2) year extension period.

Department Review

This recommendation has been formulated in consultation with the City's Budget Officer, Finance Director, RDA Director, and City Manager. This staff report was written by the Agency Director and reviewed by the City Manager.

Significant Impacts

Authorizing the loan extension delays funds that would be readily accessible for qualifying RDA loan applications. Authorizing the extension as recommended by Staff allows the RDA to recuperate an approximate return on investment associated with current market trends while delaying the potential RDA funds by two (2) years. The RDA also has the ability to not approve the requested loan extension which would require the applicant to follow through on their commitment of paying the call provision by December 31, 2023, consisting of \$444,748.27.

Recommendation

Approve the loan modification request and amending the Trust Deed Note, other pertaining documents, etc., to reflect the following loan extension provisions:

1. Loan Value: \$550,000 (*already funded*)
2. Amortization Period: 20 years (*commenced on January 1, 2019*)
3. Call: 7 years (*commenced on January 1, 2019*)
4. Interest Rate: 3% for the first five (5) years
(*original loan terms: to be satisfied by December 31, 2023*)
7% for the last two (2) years
(*loan modification terms: to be satisfied from January 1, 2024 - December 31, 2025*)
5. Payment Schedule: Monthly
6. Security: *Maintain* First Position Trust Deed
7. Other: This offer sunsets on December 1, 2023, is not assignable, and may not be extended.

Attachments

1. Subject Site
2. Applicant's formal request received on 11.15.2023
3. Trust Deed Note
4. Modified Amortization Scheduled (Proposed by Staff, if approved)

Attachment 1 – Subject Site



November 14, 2023

Mr Francis Astorga
RDA Director
Bountiful City Redevelopment Agency
790 South 100 East
Bountiful, Utah 84010

Request: Existing Loan- Due Date Extension

Dear Mr Astorga:

We are requesting a Due Date Extension on our existing loan on the Renaissance Place Project from Dec 11, 2023 for (2) two years.

Background:

Our business plan after construction completion and lease up was to refinance through. A HUD financing program. And we have done exactly that. However, due to unanticipated HUD Underwriting delays together with the further interest rate increases, we've found. refinancing in the current market undesirable. So, we'd like to delay refinancing for two (2) years and then move forward when the market has returned to more favorable interest rates.

Request :

We request an extension for a two year period. All other loan terms will remain the same. See Attached Schedule.

We would greatly appreciate your favorable approval.

Regards,


Brian Knowlton

Member
Bountiful City RDA Packet
November 28, 2023

RECEIVED

NOV 15 2023

BOUNTIFUL CITY
PLANNING DEPT.

Bountiful City RDA Loan
Renaissance Place Apts - RDA Loan Terms
11/14/23

Original Approval Date		10-Oct-17	Nov-23
Loan Terms		Requested Changes	
Original Loan Amount		\$ 550,000	
Loan Balance @ 12-11-23			\$ 458,996
Amortization Period		20 Years	Continue Loan Amortization
Early Call Provision		5 Yrs	Extended 2 Yrs, so 7 Yrs
Interest Rate		3%	Same as existing loan
Payment Schedule		Monthly	Continue Existing Loan Amortization See Attached Schedule
Collateral/Security: Lots 15a & 15b, RTC		1st TD	Same as Existing Loan

TRUST DEED NOTE

FOR VALUE RECEIVED, **BROADHEAD & ASSOCIATES, LLC**, a Utah limited liability company, of 1560 S. Renaissance Drive, Suite 104, Bountiful, Utah 84010 (“Borrower”) promises to pay to the order of **BOUNTIFUL CITY REDEVELOPMENT AGENCY**, a municipal redevelopment agency pursuant to the laws and ordinances of the State of Utah (“Holder”) at 790 South 100 East, Bountiful, Utah 84010, or at such other place as may be designated in writing by Holder, as follows:

1. **Principal and Interest.** Borrower promises to pay to Holder, in lawful money of the United States of America, the principal sum of FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$550,000.00) or such other amount as shall be disbursed and outstanding hereunder, together with interest on the unpaid principal balance from the date of disbursement until paid in full at the rate of Three Percent (3.0%) per annum, simple interest.

2. **Scheduled Payments.** Borrower shall pay to Holder a monthly payment of principal and interest based upon a twenty (20) year amortization period, in the amount of \$3,050.29 per month, commencing on January 1, 2019, and continuing on the first (1st) day of each calendar month thereafter, until December 31, 2023, when the entire unpaid balance of principal, together with any accrued and unpaid interest, shall be due and payable in full (the “Maturity Date”). Payments shall be made in accordance with the Loan Amortization Schedule attached hereto as Exhibit “A” and incorporated herein by this reference.

3. **Prepayment.** Borrower may prepay this Note in whole or in part at any time without penalty.

4. **Collateral.** As collateral for the performance of all obligations and liabilities hereunder, Borrower has delivered to Holder that certain Trust Deed, Assignment of Rents and Security Agreement of even date herewith (the “Trust Deed”) encumbering that certain parcel of unimproved real property denominated as tax serial no. 03-041-042 and located at Renaissance Towne Center, Bountiful, Davis County, State of Utah (the “Property”).

5. **Remedies.** Upon a default by Borrower under this Note, or the Trust Deed as defined above, which is not fully cured within thirty (30) days after written notice from Holder to Borrower specifying the nature of the default, Holder may declare the entire unpaid principal balance, together with accrued and unpaid interest, to be immediately due and payable without presentment, demand, protest or other notice of any kind. No failure or delay on the part of Holder in exercising any right, power, or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power, or privilege at law, in equity, or by contract. Borrower agrees to pay all costs of collection incurred by reason of default, including court costs and reasonable attorney’s fees including such expenses incurred before legal action,

during the pendency thereof, and continuing to all such expenses in connection with appeals to any courts arising out matters associated herewith.

6. **Late Charge.** Any monthly payment not made by Borrower to Holder within fifteen (15) days of the due date shall be subject to a "late charge" in the amount of five percent (5%) of the late monthly payment.

7. **General Provisions.** This Note shall be binding upon the Borrower, and any permitted successors and assigns of Borrower, if any. This Note and all documents and instruments associated herewith shall be governed by and construed and interpreted in accordance with the laws of the State of Utah. The terms of the Note may not be modified except by a written agreement executed by Holder and Borrower. Time is of the essence hereof. This Note is personal to Borrower and is not "assumable". Borrower shall not sell, convey, alienate, or further encumber the Property unless this Note has been concurrently paid in full.

8. **Entire Agreement in Writing.** This Note and the Trust Deed, and any other documents executed in connection herewith, are the final expression of the agreement and understanding of Borrower and Holder with respect to the subject matter hereof and supersede any previous understanding, negotiations or discussions, whether written or oral. This written agreement, and any other documents executed in connection herewith, may not be contradicted by evidence of any alleged oral agreement.

Dated effective as of the 28 day of November, 2018.

BORROWER:

Broadhead & Associates, LLC, a Utah limited liability company



Bruce V. Broadhead, Manager

Address of Borrower:

1560 S. Renaissance Drive, Suite 104
Bountiful, Utah 84010

1464435v2

Broadhead & Associates, LLC

Loan Extension Balance	\$441,697.98
Rate (Annual/Fixed)	7.00%
Loan Period (Months)	24
Loan extension date	28-Nov-23
Maturity Date	31-Dec-25
1st Payment Date	1-Jan-24
Monthly Payment	\$3,424.48

Loan balance after 12/1/2023 payment \$441,697.98

Pmt #	Due Date	P&I Payment	Principal	Interest	Outstanding Balance
1	1-Jan-24	\$ 3,424.48	\$ 847.91	\$ 2,576.57	\$440,850.07
2	1-Feb-24	3,424.48	852.85	2,571.63	439,997.22
3	1-Mar-24	3,424.48	857.83	2,566.65	439,139.39
4	1-Apr-24	3,424.48	862.83	2,561.65	438,276.56
5	1-May-24	3,424.48	867.87	2,556.61	437,408.69
6	1-Jun-24	3,424.48	872.93	2,551.55	436,535.76
7	1-Jul-24	3,424.48	878.02	2,546.46	435,657.74
8	1-Aug-24	3,424.48	883.14	2,541.34	434,774.60
9	1-Sep-24	3,424.48	888.29	2,536.19	433,886.31
10	1-Oct-24	3,424.48	893.48	2,531.00	432,992.83
11	1-Nov-24	3,424.48	898.69	2,525.79	432,094.14
12	1-Dec-24	3,424.48	903.93	2,520.55	431,190.21
13	1-Jan-25	3,424.48	909.20	2,515.28	430,281.01
14	1-Feb-25	3,424.48	914.51	2,509.97	429,366.50
15	1-Mar-25	3,424.48	919.84	2,504.64	428,446.66
16	1-Apr-25	3,424.48	925.21	2,499.27	427,521.45
17	1-May-25	3,424.48	930.60	2,493.88	426,590.85
18	1-Jun-25	3,424.48	936.03	2,488.45	425,654.82
19	1-Jul-25	3,424.48	941.49	2,482.99	424,713.33
20	1-Aug-25	3,424.48	946.99	2,477.49	423,766.34
21	1-Sep-25	3,424.48	952.51	2,471.97	422,813.83
22	1-Oct-25	3,424.48	958.07	2,466.41	421,855.76
23	1-Nov-25	3,424.48	963.65	2,460.83	420,892.11
24	1-Dec-25	\$ 423,347.31	\$ 420,892.11	\$ 2,455.20	\$0.00