

REDEVELOPMENT AGENCY MEETING

Minutes

Tuesday July 16, 2024



**Council Chambers
7505 S Holden Street
Midvale, Utah 84047**

CHAIR: Marcus Stevenson

BOARD MEMBERS: Board Member Paul Glover
Board Member Bonnie Billings
Board Member Dustin Gettel
Board Member Bryant Brown
Board Member Heidi Robinson

STAFF: Matt Dahl, City Manager; Nate Rockwood, Assistant City Manager; Rori Andreason, City Recorder; Garrett Wilcox, City Attorney; Mariah Hill, Administrative Services Director; Adam Olsen, Community Development Director; Laura Magness, Communications Director; Jerimie Thorne, Deputy Public Works Director; Kate Andrus, RDA Program Manager; Cody Hill, Economic Development Director; Wendelin Knobloch, Planning Director; Cody Hill, Economic Development Manager; Erinn Summers, Project and Policy Manager; Chief Randy Thomas, UPD; and Josh Short, Junior Network Administrator.

Chair Stevenson called the meeting to order at 8:51 p.m.

I. GENERAL BUSINESS

A. Roll Call - Board Members Dustin Gettel, Bonnie Billings, 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 June 18, 2024

MOTION: Board Member Paul Glover **MOVED** to approve the consent agenda. 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 Bonnie Billings Aye
Board Member Heidi Robinson Aye
The motion passed unanimously.

IV. ACTION ITEMS

A. CONSIDER RESOLUTION NO. 2024-17RDA APPROVING AN AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND PYNES FAMILY HOLDINGS, LLC. SUBORDINATING THE DEED OF TRUST HELD BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY IN FAVOR OF A DEED OF TRUST HELD BY FIRST UTAH BANK TO FACILITATE THE DEVELOPMENT OF CACTUS & TROPICALS AT 7696 S. MAIN, MIDVALE, UTAH 84047.

Kate Andrus said on February 6, 2024, the Redevelopment Agency of Midvale City ("Agency") approved a term sheet for a business loan agreement with Pynes Family Holdings L.L.C. ("Cactus & Tropicals LLC").

The loan agreement was subsequently signed and closed on June 3, 2024, with a deed of trust placed on the collateral property located at 2735 South 2000 East, Salt Lake City, UT 84109 ("Collateral Property").

Pynes Family Holdings, which owns Cactus & Tropicals LLC, currently holds a \$250,000 line of credit with First Utah Bank secured by the same collateral property. They wish to increase this line of credit by an additional \$250,000 to further finance the new Midvale location.

First Utah Bank contacted the Agency to confirm they would increase their credit deed of trust by \$250,000 which would also be secured by the Collateral Property. However, Section 13 of the executed loan agreement states:

13. Negative Covenants of Borrower. Borrower covenants and agrees that, from the date hereof until payment in full of the Loan, unless Agency otherwise consents in writing, it will not enter into any agreement or other commitment the performance of which would constitute a breach of any of the covenants contained in this Agreement or the Loan Documents, including, but not limited to, the following covenants: 13.1 Encumber the Collateral.

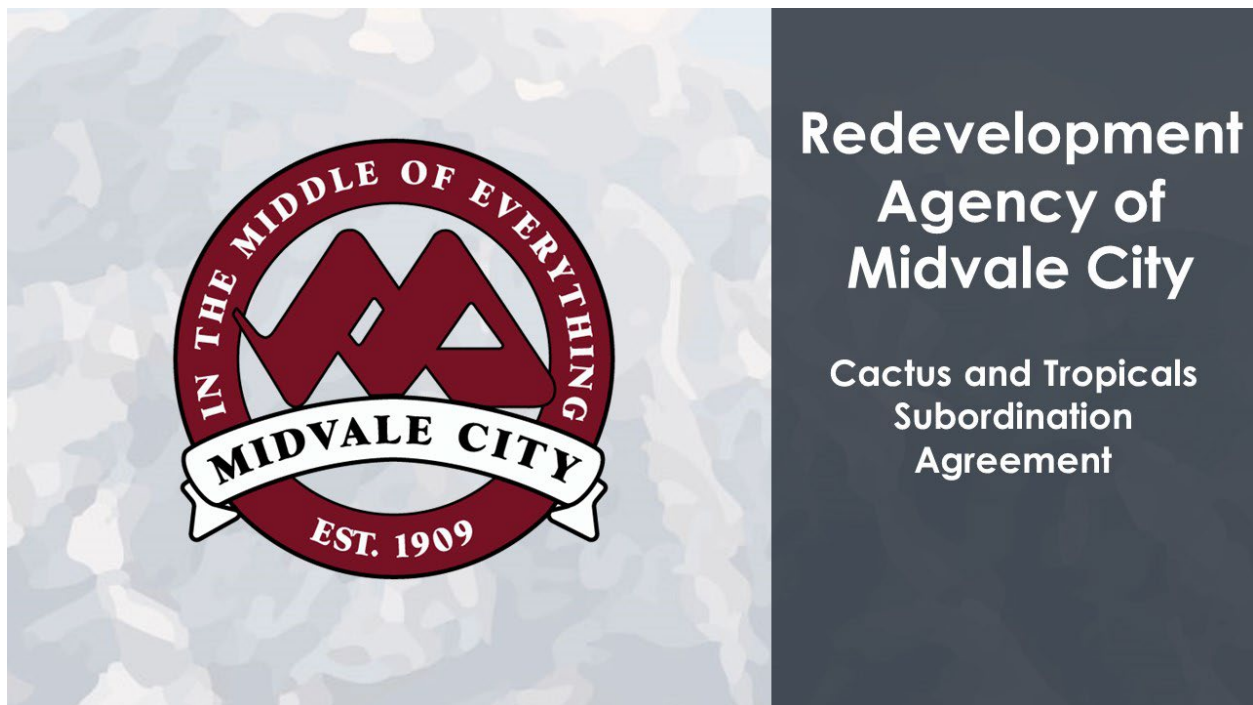
Therefore, in order for Cactus & Tropicals LLC to increase their line of credit with First Utah Bank, the Agency must first provide written consent, because it would further encumber the Collateral Property.

Agency staff is comfortable allowing First Utah Bank to further encumber the Collateral Property with the proposed increase in Cactus & Tropicals LLC's line of credit. This decision is based on the significant amount of equity held in the Collateral Property. Their current loan to value ratio ("LTV") is only 28%. The LTV could only increase to 48%, if

Cactus & Tropicals LLC draws all \$500,000 from their lines of credit. To allow the increase in the line of credit, the Agency will need to sign a Subordination agreement.

Fiscal Impact:

This agreement does not affect the original loan amount of \$250,000 provided by the Agency. The Agency's priority for repayment in case of default would be subordinate to First Utah Bank's increased line of credit. However, a recent evaluation of the Collateral Property has demonstrated that there is more than enough equity to pay the current debt lien against the property, including the increase of \$250,000 to an existing line of credit. If Cactus & Tropicals LLC draws on the \$500,000 line of credit, their LTV would only be 48%.



Summary

- Pynes Family Holdings (owners of Cactus and Tropicals) secured a business loan from the Redevelopment Agency of Midvale (RDA) on February 6, 2024.
- Loan agreement was finalized on June 3, 2024, with collateral placed on a property in Salt Lake City.
- Pynes Family Holdings has an existing line of credit with First Utah Bank secured by the same property.
- Pynes Family Holdings desires to increase their existing line of credit by \$250,000 to support the Midvale location.
- The executed loan agreement with the RDA restricts further encumbrance of the collateral property.
- The RDA is comfortable approving the increased credit line due to the strong equity position of the property.
- Even with the full credit line increase, the LTV would only reach 48%.
- To allow the increase, the RDA needs to sign a Subordination Agreement.

Fiscal Impact

This agreement does not affect the original loan amount of \$250,000 provided by the Agency. The Agency's priority for repayment in case of default would be subordinate to First Utah Bank's increased line of credit. However, a recent evaluation of the Collateral Property has demonstrated that there is more than enough equity to pay the current debt lien against the property, including the increase of \$250,000 to an existing line of credit. If Cactus & Tropicals LLC draws on the \$500,000 line of credit, their LTV would only be 48%.

Board Member Dustin Gettel asked what the impact would be on other Main Street agreements if Cactus & Tropicals leaves the location and if a tenant isn't found for the bank building.

Kate Andrus said the Façade Agreement is with the Becks, and they would still be responsible for honoring their agreement with the City. Cactus & Tropicals would be responsible to honor their agreement and if they left early, they would be in default and would have to pay back what the City has lent them.

Board Member Bryant Brown asked if there are time restrictions on securing a tenant.

Kate Andrus said that there are time restraints on securing a similar tenant if a tenant leaves.

MOTION: Board Member Dustin Gettel MOVED to suspend the rules and approve Resolution No. 2024-17RDA Approving an Agreement between the Redevelopment Agency of Midvale City and Pynes Family Holdings, LLC. Subordinating the Deed of Trust held by the Redevelopment Agency of Midvale City in favor of a Deed of Trust held by First Utah Bank to facilitate the development of Cactus & Tropicals at 7696 S. Main, Midvale, Utah 84047. 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 Bonnie Billings Aye

Board Member Heidi Robinson Aye

The motion passed unanimously.

B. CONSIDER RESOLUTION NO. 2024-18RDA AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO EXECUTE A SECOND AMENDMENT TO THE INTERLOCAL COOPERATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND SALT LAKE COUNTY REGARDING THE MAIN STREET FESTIVAL LIGHTING PROJECT.

Kate Andrus said in March 2023, the Redevelopment Agency of Midvale City (RDA) received grant funding for festival season lighting along Midvale Main through the Salt Lake County Tourism, Recreation, Culture and Convention (TRCC) Support Program.

On February 6, 2024, the RDA executed an amendment extending the grant deadline from March 31, 2024, to September 30, 2024.

The originally contracted company, Le Monde Studios Inc., breached their agreement and could not complete the project, causing a delay. Fortunately, RDA staff secured Mountain States Lighting to complete the project, and construction will begin shortly.

Agency staff has been working with Salt Lake County to obtain an extension of the grant deadline. We are now bringing a second amendment to the original grant agreement before the Board, which will extend the grant completion date to December 31, 2024.

FISCAL IMPACT:

The TRCC Support Program is providing \$200,000 as a reimbursement grant. This grant requires matching funds in the amount of \$187,700, which will be funded by the Main Street CDA budget.



Timeline

TRCC Grant Awarded Funding

- Notification of award 03/2023
- The RDA was awarded \$200,000 in grant funds for the installation of festival lighting
- RDA is expected to provide funding in the amount of \$187,700 as part of this project

Design Process

- Complete
- Design Build Amendment approving the cost and complete design to be brought before RDA Board in tonight.

Construction Begins

- Production of material to take place as soon plans are approved
- Road cuts and electrical work to begin the first part of August
- Installation of new streetlights, catenary lights, and projection lights begin mid October

Project Complete

- Installation of lights will be completed by mid-November
- Removal of old streetlights to take place after the complete installation of new lights.

Key Terms of the Amendment

Deadline to Complete Project: The RDA shall complete the design and installation of festival lighting along Midvale Main by December 31, 2024

Deadline to Expend Funds: RDA shall expend all TRCC Funds prior to December 31, 2024

Deadline to Request Reimbursement of TRCC Funds: All requests for reimbursement under this Agreement shall be made on or before March 31, 2025

MOTION: Board Member Heidi Robinson **MOVED** to suspend the rules and approve Resolution No. 2024-18RDA Authorizing the Chief Administrative Officer to Execute a Second Amendment to the Interlocal Cooperation Agreement between the Redevelopment Agency of Midvale City and Salt Lake County Regarding the Main Street Festival Lighting Project. The motion was **SECONDED** by Board

Member Bonnie Billings. 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 Bonnie Billings Aye
Board Member Heidi Robinson Aye**

The motion passed unanimously.

C. CONSIDER RESOLUTION NO. 2024-19RDA AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO ENTER INTO A DESIGN BUILD AMENDMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND MOUNTAIN STATES LIGHTING LLC FOR THE DESIGN AND CONSTRUCTION OF FESTIVAL LIGHTING ON MIDVALE MAIN

Kate Andrus stated On June 18, 2024, the Board authorized the Chief Administrative Officer to enter into an Agreement between the Redevelopment Agency of Midvale City and Mountain States Lighting LLC for the design and construction of festival lighting on Midvale Main.

Since then, RDA staff has been working with Mountain States Lighting to finalize the design and construction plans.

The next step in the design-build process is the execution of the Design Build Amendment, which will allow for the beginning of construction.

Key Terms of the Design Build Amendment with Mountain States Lighting are as follows:

- The Stipulated Sum shall be \$1,152,255.00, subject to authorized adjustments as provided in the Design-Build Documents. This Stipulated Sum shall be construed as a Not-to-Exceed amount.
- Based upon Applications for Payment submitted to the Owner by the Design-Builder, the Owner shall make progress payments on account of the Contract Sum to the Design-Builder 30 days after the application of payment is submitted.
- The Owner shall place retainage of 5% in an interest-bearing account and will account for retainage separately from other amounts paid under the contract. The retainage and interest accrued shall be paid to the Design-Builder upon final payment.
- Design-Builder shall achieve Substantial Completion of the Work no later than November 17, 2024.

FISCAL IMPACT:

The stipulated cost for this project is not to exceed \$1,152,255.00, subject to authorized adjustments as provided in the Design-Build Documents. The TRCC Support Program is contributing \$200,000 as a reimbursement grant towards this project. The Redevelopment Agency of Midvale City has allocated \$1,089,000 within the Main Street CDA budget to fund this project. Additional funds may be allocated from the City Street Light Fund as necessary for expenses related to the street light portion of the project. All existing streetlights will be replaced as part of the project and uniform streetlights will be installed along Main Street from Center Street to 7th Avenue.

Nate Rockwood said there are Gobo lights added to the design. They are on top of the poles and will fill in the gaps between the lighted areas. The Gobo lights will project light patterns down onto the streets. In addition, everywhere there is a pole near a mural, lighting will be added to illuminate the mural. This can't be done on every mural, but it will be added where possible.

He said staff decided to trench to get the power to the lights the way it should be done to do everything they want to do with the lighting as well as to operate each element of the lighting individually. Each light pole will have the Gobo light, the spotlight for the mural, the hanging festival lights, and the regular streetlights. These will be connected to their own circuit; the trenching allows for this. This gives us much more control of what the lights can do, and it allows control the lights with an app.



Timeline

Design Process

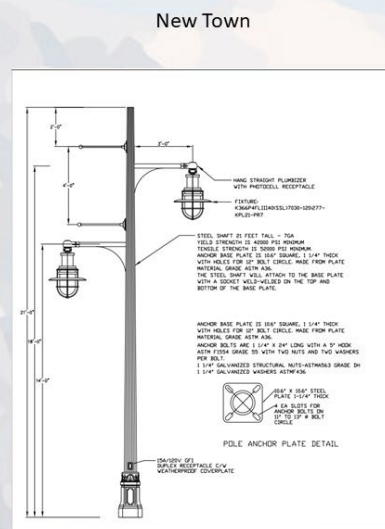
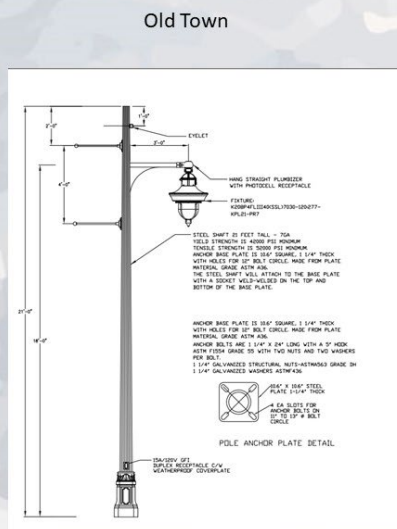
- Complete
- Design Build Amendment will approve the final design and cost and will initiate the construction phase

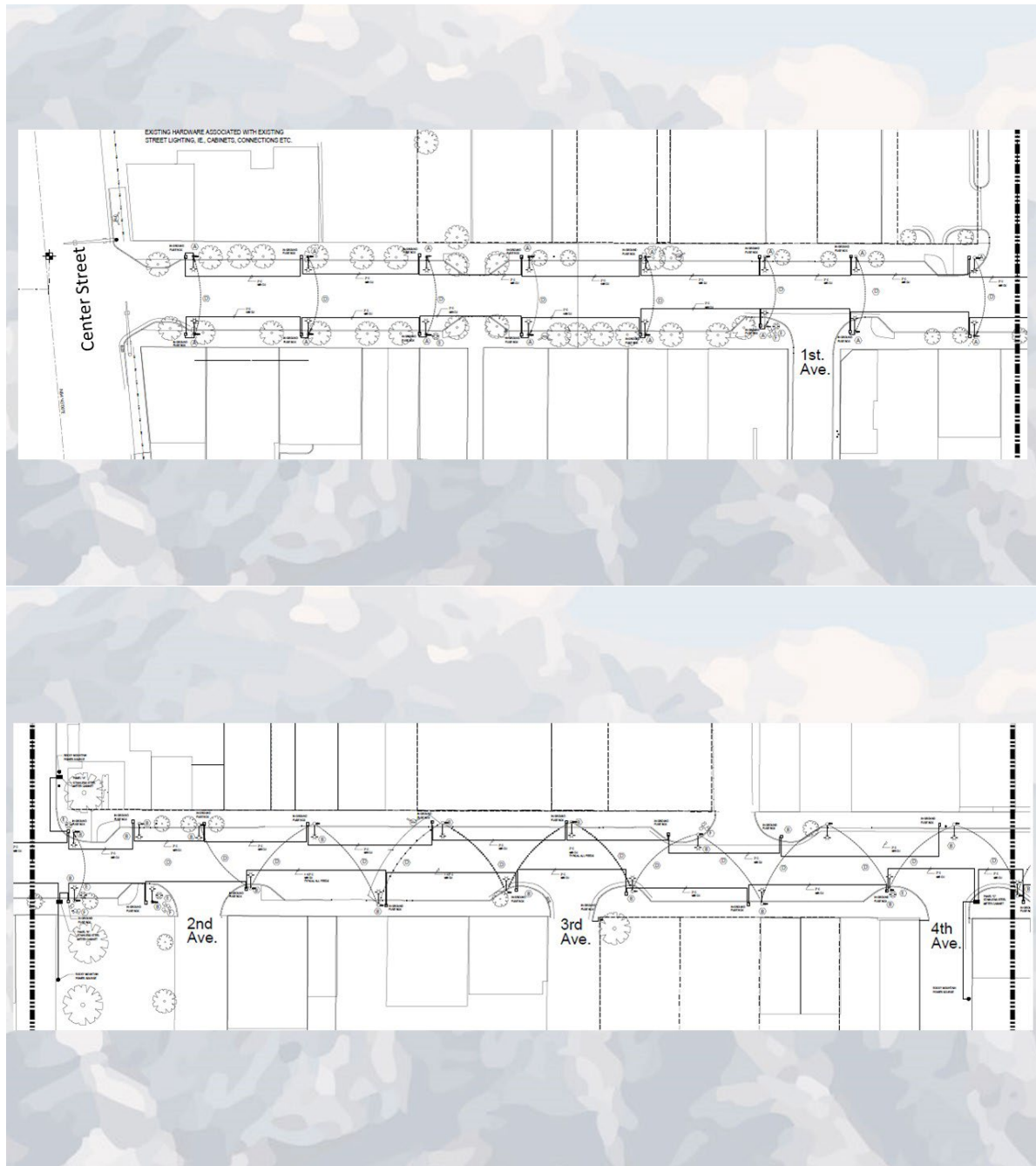
Construction Begins

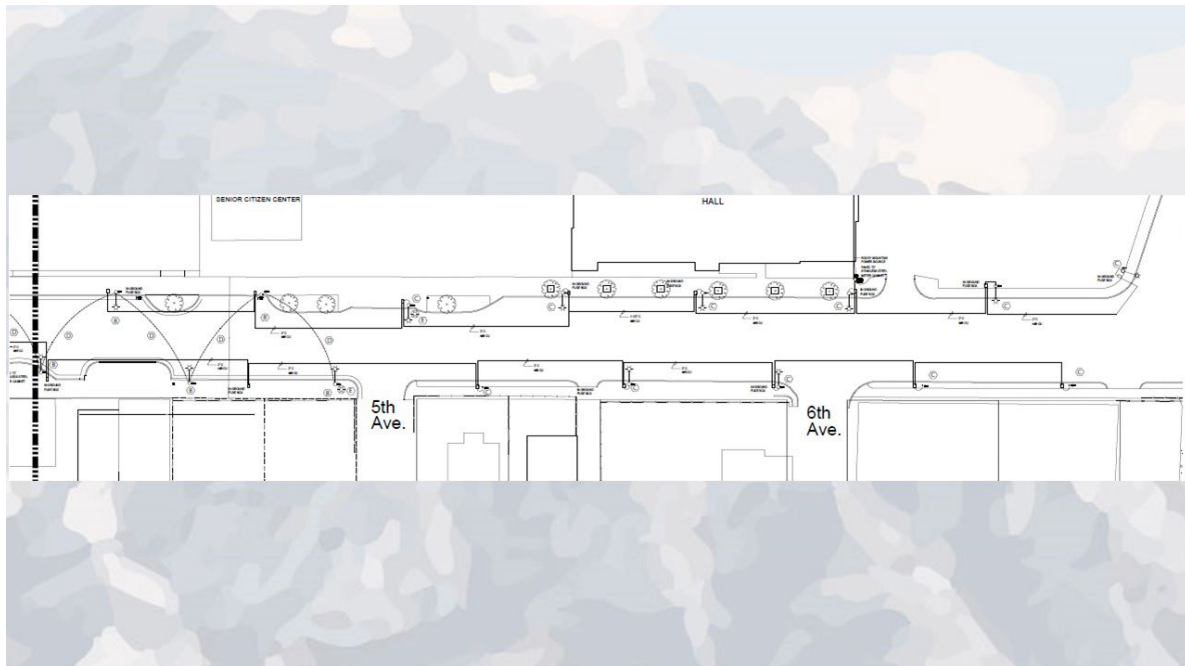
- Production of material to take place as soon plans are approved
- Road cuts and electrical work to begin the first part of August
- Installation of new streetlights, catenary lights, and projection lights begin mid October

Project Complete

- Installation of lights will be completed by November 17, 2024
- Removal of old streetlights to take place after the complete installation of new lights.







Key Terms

- The Stipulated Sum shall be \$1,152,255.00, subject to authorized adjustments as provided in the Design-Build Documents. This Stipulated Sum shall be construed as a Not-to-Exceed amount.
- Based upon Applications for Payment submitted to the Owner by the Design-Builder, the Owner shall make progress payments on account of the Contract Sum to the Design-Builder 30 days after the application of payment is submitted.
- The Owner shall place retainage of 5% in an interest-bearing account and will account for retainage separately from other amounts paid under the contract. The retainage and interest accrued shall be paid to the Design-Builder upon final payment.
- Design-Builder shall achieve Substantial Completion of the Work no later than November 17, 2024.

Fiscal Impact

The stipulated cost for this project is not to exceed \$1,152,255.00, subject to authorized adjustments as provided in the Design-Build Documents. The TRCC Support Program is contributing \$200,000 as a reimbursement grant towards this project. The Redevelopment Agency of Midvale City has allocated \$1,089,000 within the Main Street CDA budget to fund this project. Additional funds may be allocated from the City Street Light Fund as necessary for expenses related to the street light portion of the project.

Board Member Bryant Brown said he would like to see the City be strategic with the Gobo lights because he knows they can be temperamental to change.

Board Member Heidi Robinson said she wanted to confirm the start time of the trenching.

Nate Rockwood said he is hoping the trenching can start in the next two weeks.

MOTION: Board Member Dustin Gettel MOVED to suspend the rules and approve Resolution No. 2024-19RDA Authorizing the Chief Administrative Officer to Enter into a Design Build Amendment between the Redevelopment Agency of Midvale City and Mountain States Lighting LLC for the Design and Construction of Festival Lighting on Midvale Main. 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 Bonnie Billings Aye
Board Member Heidi Robinson Aye**

The motion passed unanimously.

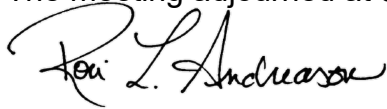
MOTION: Board Member Dustin Gettel MOVED to Strike the Closed Session. The motion was SECONDED by Board Member Paul Glover. Chair

Stevenson called for discussion on the motion. There being none he called for a vote. The motion passed unanimously.

VI. ADJOURN

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

The meeting adjourned at 9:15 p.m.



**Rori L. Andreason, MMC
City Recorder**



Approved this 6th day of August, 2024.