REDEVELOPMENT AGENCY MEETING
Minutes
Tuesday August 6, 2024

Council Chambers
7505 S Holden Street
Midvale, Utah 84047

CHAIR: Marcus Stevenson

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

STAFF: 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; Meggie Troili, RDA Project Manager; Cody Hill, Economic Development Director; Wendelin Knobloch, Planning Director; Chief Randy Thomas, UPD; and Juan Rosario, Systems Administrator.

Chair Stevenson called the meeting to order at 6:05 p.m.

I. GENERAL BUSINESS

A. Roll Call - Board Members Dustin Gettel, Bryant Brown, Heidi Robinson, and Paul Glover were present at roll call. Board Member Bonnie Billings was excused.

II. PUBLIC COMMENTS

Shae said she has spoken to Dustin a few times about the city creating a fenced dog park, a fenced in dog park that is accessible to the residents of Midvale is desperately needed. She has a service dog that she takes off leash at the park to train, she runs into problems with bystanders, and she is currently battling with other cities over this same issue. She is also requesting speed bumps on 7th Avenue, she lives on that road and said cars are going 30 miles per hour down the street, she has submitted application for speed bumps and heard nothing back. When she spoke to the city she was told once the apartments are built and the food truck plaza is done the city will look at that issue, she thinks safety for citizens and kids should be the priority, not construction. She also is reporting that on 8000 South 480 East there are no school zone signs or lights for the second crosswalk. She spoke to Roland and was told the city would look at it. She said a lot of cars don't slow down because they don't know that that area is a school zone. She appreciates the murals and how they add to the city.

Chair Stevenson directed her to the fenced dog park in Midvale on Adams Street.

III. CONSENT AGENDA

A. CONSIDER MINUTES OF July 16, 2024

MOTION: Board Member Paul Glover MOVED to approve the consent agenda. 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	**Absent**
Board Member Heidi Robinson	**Aye**

The motion passed unanimously.

IV. PUBLIC HEARING

A. CONSIDER AMENDING THE FISCAL YEAR 2025 BUDGET FOR THE MAIN STREET PROJECT AREA FUND AND CITY-WIDE HOUSING FUND.

Cody Hill said Staff proposes amendments to the fiscal year 2025 budget for Redevelopment Agency Funds, the Main Street Project Area Fund and City-Wide Housing Fund

Main Street Project Area Fund
Expense Budget Adjustment: $61,763 – Per the Second Amendment to the Purchase Agreement between the Agency and The Court Partners, LLC. (“Developer”), executed on April 16, 2024, the Agency will reimburse Developer for expenses related to the development of a bulb-out on the west side of their development located at 7555 S. Main. Although this expense was approved in the Second Amendment to the Purchase Agreement, funds were not appropriated in the FY2025 budget to cover the expense. This expense increase would be added to a new account “Developer Reimbursement” within the fund.

City-Wide Housing Fund
Expense Budget Adjustment: $2,500,000 – Staff requests this amount be added to the Affordable Housing Incentives expense account. The Agency recently received an Upper-floor Housing Initiative application. The applicant requested more funds to support their project and their proposed affordable housing offering than currently budgeted in the account. If adopted, the account’s expense will increase from $4,000,000 to $6,500,000.

FISCAL IMPACT:
Both Funds have sufficient fund balances to accommodate the increases in expenditure. The bulb-out increases the aesthetic and charm of Main Street and will support activating and improving the area. The increased expense in affordable housing will increase the affordable housing availability within the Main Street area and reduce the fund’s fund

balance, which the Agency must do to remain compliant with newly adopted state requirements as found in HB 465.

Redevelopment Agency of Midvale City

Consider Amending FY2025 Budget

Fiscal Year 2025 Main Street CDA Budget

Redevelopment Agency - Main Street Project Area	Actual FY2022	Actual FY2023	Amended FY2024	Final FY2025	Difference	Percent Change
Revenues:						
Property Tax Revenue[1]	-	-	-	36,543	36,543	0.0%
Salt Lake County Grant Revenue[1]	-	5,000	200,000	100,000	(100,000)	-50.0%
Rent and Concessions[1]	2,600	-	-	14,400	14,400	0.0%
Revolving Loan Program[1]	-	33,138	77,968	80,000	2,032	2.6%
Interest Revenue	(4,413)	46,624	30,000	30,000	-	0.0%
Sale of Properties Held for Resale	-	-	288,000	-	(288,000)	-100.0%
Transfer from other RDA A/C[1]	1,631,730	50,000	550,000	1,100,000	550,000	100.0%
Contributions from Other Governments	-	-	-	354,080	354,080	0.0%
Transfer from General Fund	-	-	-	-	-	0.0%
TOTAL REVENUES	$ 1,629,917	$ 134,762	$ 1,145,968	$ 1,715,023	$ 569,055	49.7%
Expenditures:						
Project Area improvements[1]	177	-	389,000	670,000	281,000	72.2%
Professional Services[1]	34,765	95,131	20,000	-	(20,000)	-100.0%
Miscellaneous Supplies	1,536	213	2,000	2,000	-	0.0%
Revolving Loan Program[1]	20	251,212	450,000	1,000,000	550,000	122.2%
Property Acquisition[1]	148	-	-	340,000	340,000	0.0%
Public Art[1]	147,130	46,850	115,000	140,000	25,000	21.7%
Art House	-	824	-	5,000	5,000	0.0%
Events and Promotion[1]	6,894	27,463	30,000	36,000	6,000	20.0%
Remit Back to Taxing Entities	-	-	-	156,249	156,249	0.0%
Parking Structure	-	-	250,000	250,000	-	0.0%
Transfer to RDA Administration	-	-	-	7,031	7,031	0.0%
Transfer to RDA City-wide Housing	-	-	-	46,875	46,875	0.0%
TOTAL EXPENDITURES	$ 190,670	$ 421,693	$ 1,256,000	$ 2,653,155	$ 1,397,155	111.2%
FUND BALANCE - CONTRIBUTION TO (USE OF)	1,439,247	(286,931)	(110,032)	(938,132)	(828,100)	

Fiscal Year 2025 City-Wide Housing Fund

Redevelopment Agency - City-Wide Housing	Actual FY2022	Actual FY2023	Amended FY2024	Final FY2025	Difference	Percent Change
Revenues:						
Interest revenue	(17,488)	121,907	40,000	40,000	-	0.0%
Lease revenue - Applewood	17,897	-	14,055	1,500	(12,555)	-89.3%
Transfer from other RDA account	2,325,097	1,888,000	2,497,623	2,629,742	132,119	5.3%
Grants Slco Affordable Housing	-	-	100,000	100,000	-	0.0%
Loan revenue - Sunset Gardens	-	39,425	-	1,000	1,000	0.0%
TOTAL REVENUES	$ 2,325,506	$ 2,049,332	$ 2,651,678	$ 2,772,242	$ 120,564	4.5%
Expenditures:						
Salaries	37,326	45,739	48,345	50,543	2,198	4.5%
Benefits	17,669	17,435	19,606	19,921	315	1.6%
Equipment, Supplies, and Maint	1,800	-	2,000	2,100	100	5.0%
Communications/Telephone	159	251	242	254	12	5.0%
Housing Programs Administrative Services (contra	-	-	35,000	35,000	-	0.0%
Affordable Housing Incentives	135,527	170,661	2,600,000	4,000,000	1,400,000	53.8%
Housing Programs	-	(87,278)	285,000	285,000	-	0.0%
Recreation Amenity Program	-	-	100,000	100,000	-	0.0%
Homeownership/Landlord Education	-	-	1,000	1,000	-	0.0%
Home Repair Loan Program	-	-	260,000	260,000	-	0.0%
TOTAL EXPENDITURES	$ 192,481	$ 146,808	$ 3,351,193	$ 4,753,818	$ 1,402,625	41.9%
FUND BALANCE - CONTRIBUTION TO (USE OF)	2,133,025	1,902,524	(699,515)	(1,981,576)	(1,282,061)	

Fiscal Year 2025 Main Street CDA Budget

Redevelopment Agency of Midvale City
Proposed Budget Amendment

Account Description	FY2025 Original Budget	Proposed Change	FY2025 Proposed Amended Budget	Description
Main Street Project Area Fund				
Expenditures:				
Developer Reimbursement	-	61,763	61,763	Reimbursement for the Bulb-out in front of the development at 7555 S Main
Use of Fund Balance	(938,132)	(61,763)	(999,895)	Increase the use of fund balance
TOTAL RECOMMENDED REVENUE BUDGET ADJUSTMENTS				
Main Street Project Area Fund	$ -	$ 61,763	$ 61,763	

Fiscal Year 2025 City-Wide Housing Fund

Redevelopment Agency of Midvale City
Proposed Budget Amendment

Account Description	FY2025 Original Budget	Proposed Change	FY2025 Proposed Amended Budget	Description
City-Wide Housing Fund				
Expenditures:				
Affordable Housing Incentives	4,000,000	$ 2,500,000	$ 6,500,000	Additional funding for possible project requesting Upper-floor Housing Initiative Funds
Use of Fund Balance	(1,981,576)	(2,500,000)	(4,481,576)	Increase the use of fund balance
TOTAL RECOMMENDED REVENUE BUDGET ADJUSTMENTS				
City-Wide Housing Fund		$ 2,500,000	$ 6,500,000	

Recommended Motion

Recommendation:

Approval of **Resolution No. 2024-20RDA** with the following motion:

"I move that we suspend the rules and pass Resolution No. 2024-20RDA Amending the Fiscal Year 2025 Budget for the Main Street Project Area Fund and City-Wide Housing Fund."

MOTION: **Board Member Dustin Gettel MOVED to open the public comment portion of the public hearing. The motion was SECONDED by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.**

No public comments

MOTION: **Board Member Dustin Gettel MOVED to close the public hearing. The motion was SECONDED by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.**

ACTION: Consider Resolution No. 2024-20RDA Amending the Fiscal Year 2025 Budget for the Main Street Project Area Fund and City-Wide Housing Fund.

MOTION: **Board Member Dustin Gettel MOVED to approve Resolution No. 2024-20RDA Amending the Fiscal Year 2025 Budget for the Main Street Project Area Fund and City-Wide Housing Fund. 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 Absent
Board Member Heidi Robinson Aye
The motion passed unanimously.

V. <u>ACTION ITEM</u>

A. CONSIDER RESOLUTION NO. 2021-21RDA APPROVING THE INITIAL TERMS FOR AN AFFORDABLE HOUSING INCENTIVE THROUGH THE MAIN STREET UPPER FLOOR HOUSING INITIATIVE FOR THE BLACK PINE, LLC. MIXED-USE DEVELOPMENT LOCATED AT 7592 SOUTH MAIN STREET, MIDVALE.

Meggie Troili said Black Pine (“Applicant”) recently applied for an affordable housing incentive through the Main Street Upper Floor Housing Initiative (the “Initiative”) to include affordable housing in their West Main mixed-use development (the “Project”) located at 7592 Main Street, Midvale. The Applicants application has been reviewed and recommended for funding by a committee comprised of Redevelopment Agency (the “RDA” or “Agency”) and City staff.

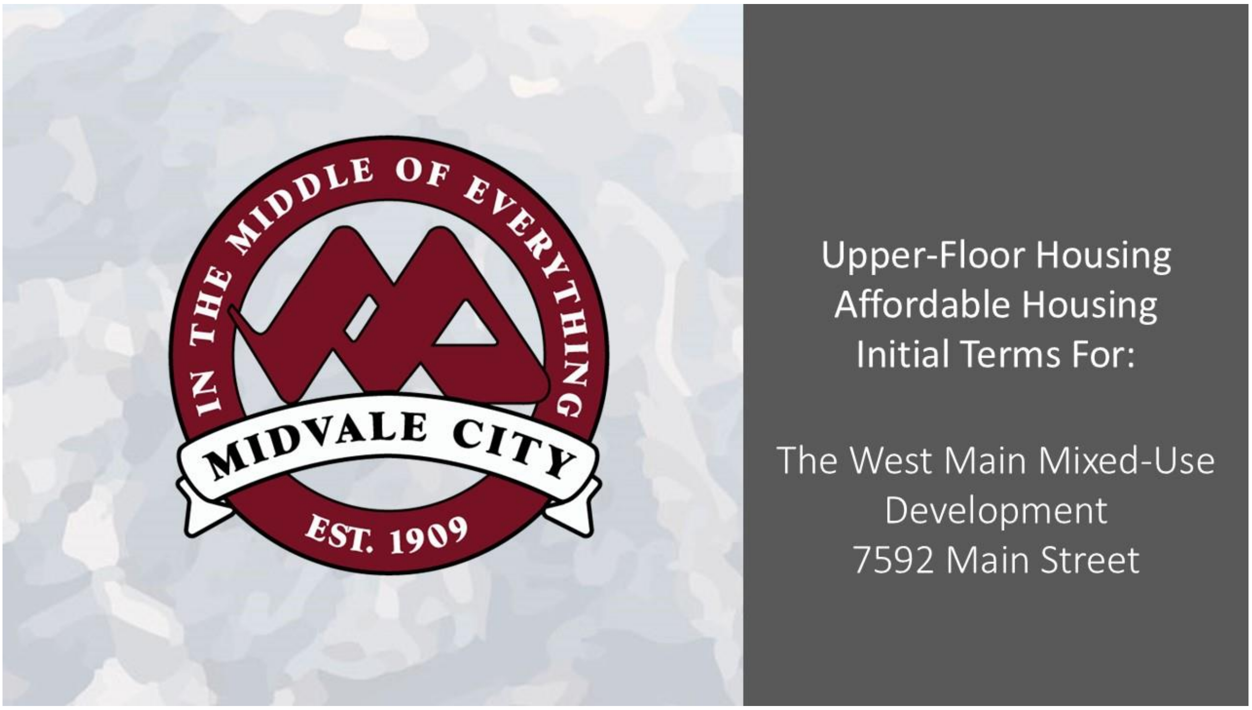
The Main Street Upper Floor Housing Initiative was approved by the RDA Board in 2019 and is supported by the Agency's dedicated affordable housing funds. The Initiative aims to provide up to 50% of the total rehabilitation and/or development costs of the residential component of a project to be used for affordable housing. Units must be high-quality affordable housing for households who fall at or below 80% of the Area Median Income (AMI). To date, the Initiative has been utilized to support the creation of 16 affordable housing units on Midvale Main Street.

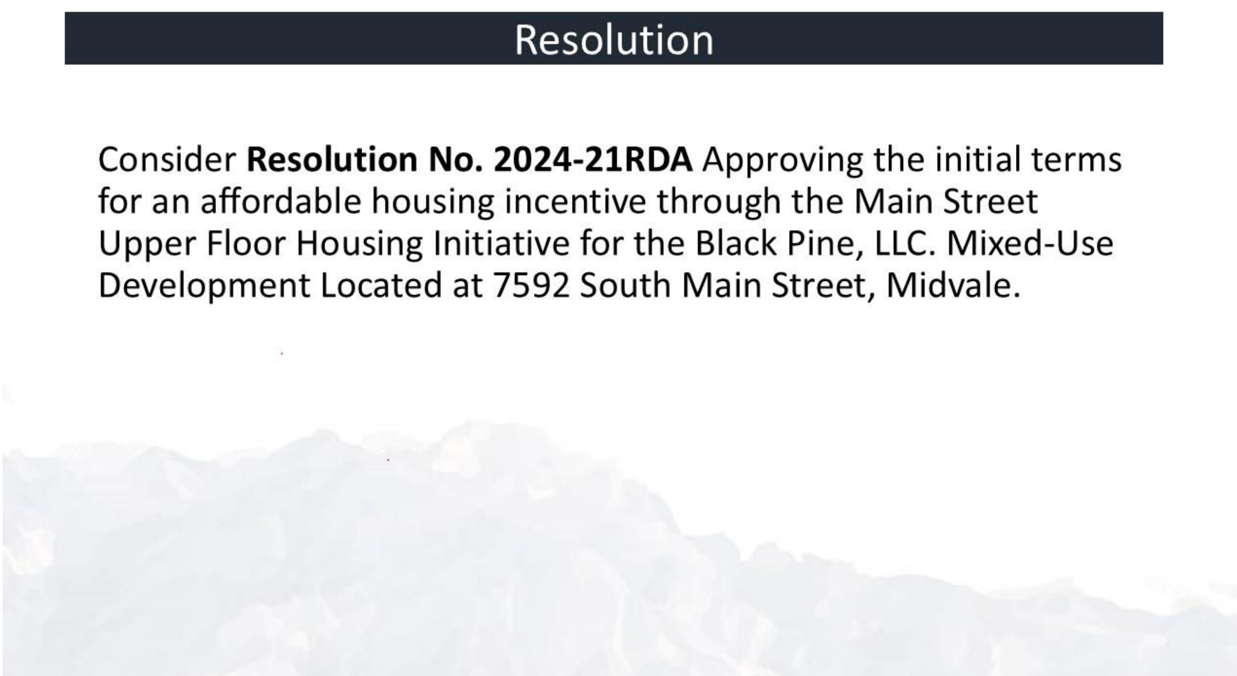
The total cost of the West Main Project is approximately 19M, and Black Pine applied for an incentive amount of $6,254,275 to cover 50% of the development costs associated with fifty (50) out of the Projects sixty-six (66) total residential units. These fifty (50) units would be deed restricted for low-income households.

After the committees’ thorough review of the Applicants Initiative application, Agency staff recommends an affordable housing incentive of $6,254,275. This funding will enable the creation of fifty (50) one-bedroom affordable housing units on Midvale Main Street. These housing units will be available for a term of 20 years only to households whose income is not greater than an average of 60% of the AMI as defined by Salt Lake County's annual AMI levels, in accordance with the guidelines set by the Department of Housing and Urban Development. To ensure long-term affordability, these units will be subject to deed restrictions, held by the RDA, to that effect as consideration for the funding provided.

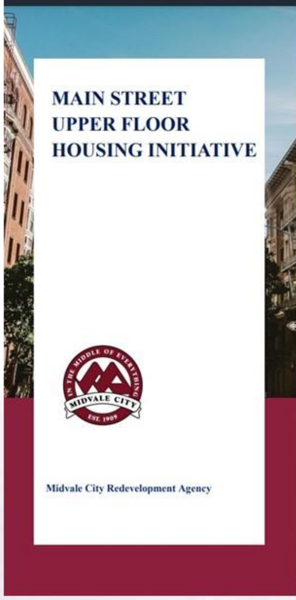
Documentation of pre-approval is needed for Black Pine to secure financing for the Project at this time. Once the foundational terms are approved by the RDA Board, the Agency will release a pre-approval letter to the Applicant. This letter will serve only as pre-approval of Black Pines Initiative application. This letter is not a guarantee or commitment to lend, loan, or provide money for the project, but will enable the Applicant to secure financing for the Project.

FISCAL IMPACT: $6,254,275





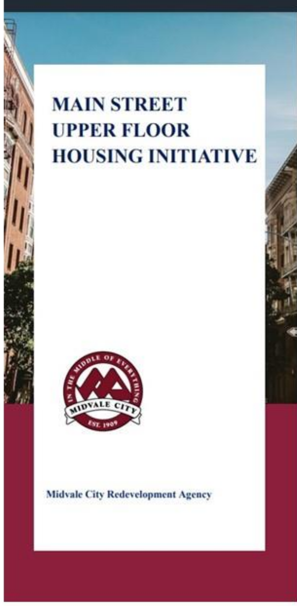
Initiative Overview



Main Street Upper Floor Housing Initiative Overview

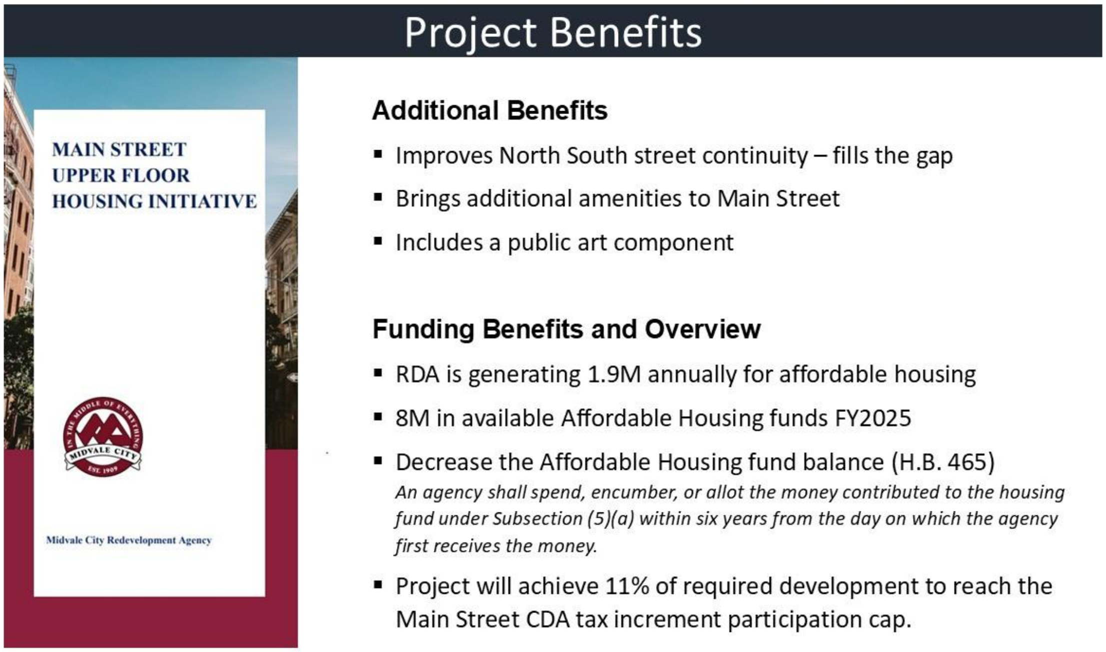
- Approved by the RDA Board in 2019.
- This is the second application to date.
- Funded by the Agency's dedicated affordable housing funds.
- Provides up to 50% of total rehabilitation and/or development cost of the residential component of the project to be used for affordable housing.
- Units must be high-quality units for households who fall at or below 80% of the Area Median Income (AMI.)
- All projects must be mixed-use and conform with form-base code.

Initiative Overview



Initiative Goals

- Utilize dedicated affordable housing funds from Bingham Junction and Jordan Bluffs Project Areas (without requiring repayment).
- Assist developers in overcoming multi-story development and parking related costs on small lots.
- Increase affordable housing opportunities on Main Street.
- Bring an influx of residents that will contribute to the vitality and economic revitalization of Main Street
- Encourage mixed-use properties
- Create a unique sense of place
- Meet the goals of the Midvale City Housing Plan and Midvale Main Street Small Area Plan
- Decrease crime rates through passive surveillance

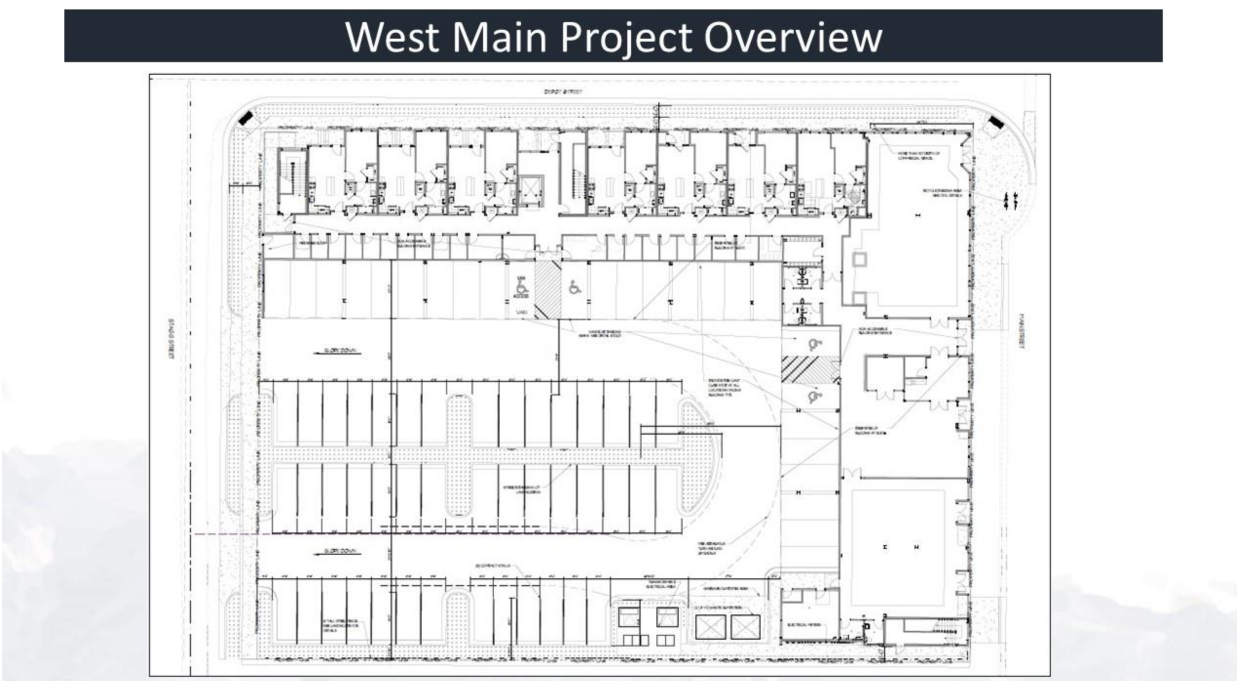

Project Benefits
MAIN STREET UPPER FLOOR HOUSING INITIATIVE
MIDVALE CITY
EST. 1909
Midvale City Redevelopment Agency
Additional Benefits
▪ Improves North South street continuity – fills the gap
▪ Brings additional amenities to Main Street
▪ Includes a public art component
Funding Benefits and Overview
▪ RDA is generating 1.9M annually for affordable housing
▪ 8M in available Affordable Housing funds FY2025
▪ Decrease the Affordable Housing fund balance (H.B. 465)
An agency shall spend, encumber, or allot the money contributed to the housing fund under Subsection (5)(a) within six years from the day on which the agency first receives the money.
▪ Project will achieve 11% of required development to reach the Main Street CDA tax increment participation cap.


Applicant - Black Pine
BlackPine - Meet The Team
Daniel Stephens | Managing Partner
Daniel has a career in global real estate and founded BlackPine in May 2021. Prior to founding BlackPine, he worked with Hines Salt Lake City where he acquired, developed, managed, or sold over 2.7 million square feet, totaling over $550 million in value. As a part of Hines' emerging markets group, he was directly involved in the acquisition, development and investment management of 19 million square feet, totaling over $1.6 billion of capital invested in Brazil and Mexico. Daniel is a graduate of BYU, a licensed CPA, and the former president of the NAIOP Utah Chapter.
Jeff Beck | Partner
Jeff is a seasoned real estate professional with extensive experience in every aspect of the real estate life cycle. Jeff has completed acquisitions and development in multiple asset classes including industrial, retail, office, multifamily, and affordable housing. Jeff is a graduate of the University of Utah and holds a Master of Business from the University of Utah's David Eccles School of Business.
Garrett Hansen | Partner
Garrett is the Chief Financial Officer for BlackPine. Prior to joining BlackPine, he was the VP of Finance at Wright Development Group, where he secured over $250 million in construction financing for multifamily, storage, and retail. He also assisted in the management of over 1,700 multifamily units. Garrett also worked as the Controller at Millburn & Company where he helped grow the assets under management from 2,500 apartment units to over 5,000 units across the United States. Garrett is a graduate of BYU, received a Master's degree from the University of Virginia, and is a licensed CPA.
Dallin Curriden | Associate
Dallin is an associate on the BlackPine team. Prior to joining BlackPine, he worked for the investment management arm of Greystar, where he assisted with the management of a national multifamily portfolio containing 50+ assets across 15+ markets, with an aggregate value of over $5 billion. During his tenure at Greystar he gained experience in all aspects of the real estate life cycle, including underwriting, acquisitions/dispositions, valuations, asset management, and investor relations. Dallin is a graduate of BYU.
Jake Earl | Analyst
Jake is an analyst on the BlackPine team. Prior to joining BlackPine, he worked for the multifamily finance arm of Capital One, where he contributed to one of the bank's highest producing teams, closing over $1.5 billion in multifamily transactions. During his time at Capital One, he gained valuable experience in multifamily debt finance, underwriting, valuations, and market research. Jake is a graduate of BYU.

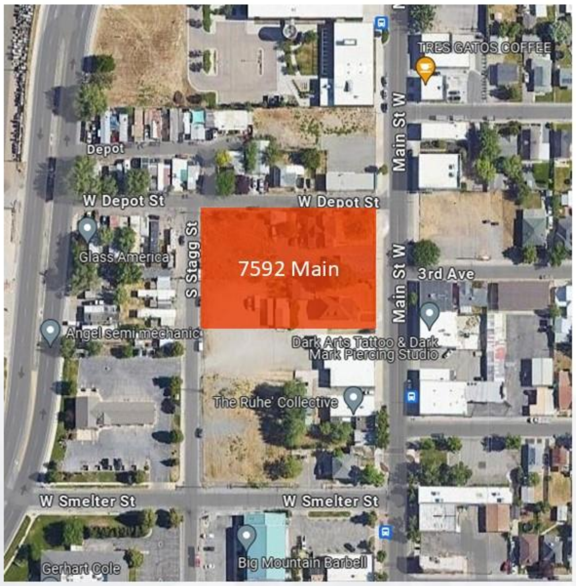

Applicant - Black Pine
BlackPine - Select Experience & Pipeline
Promontory Commerce Center
4.2M SF industrial development in Ogden, UT
Ogden Business Exchange 11
51k SF industrial development in Ogden, UT
Ogden Business Exchange 8
80k SF industrial development in Ogden, UT
Ben Lomond Business Park
430k SF industrial development in Ogden, UT
Spanish Fork SkyPark
2.0M SF industrial development in Spanish Fork, UT
Saint George Industrial
255k SF industrial development in St. George, UT
West Creek Business Park
1.6M SF industrial development in Ogden, UT
21st Street Apartments
137-unit multifamily development in Ogden, UT
Crossings at 9th
205-unit multifamily development in SLC, UT
The Bridge
232-unit multifamily acquisition in Temple, TX
Oakland Hills
120-unit multifamily acquisition in Floresville, TX
West Weber Mixed-Use
81-acres of mixed-use in Ogden, UT


West Main Project Overview


West Main Project Overview
WEST MAIN


West Main Project Overview

West Main Project Overview



West Main Mixed-Use Development

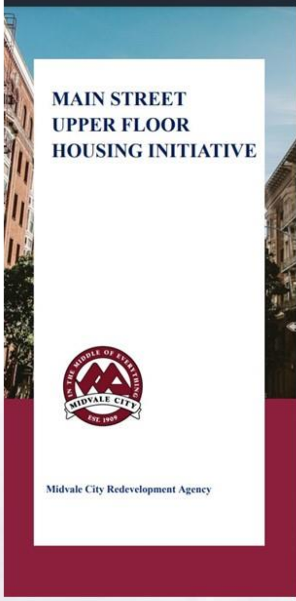
- 66 Total Units (4 Studios, 5 two-bdr, 50 one-bdr)
- 50 affordable 1-bedroom units
- Parking meets Form Based Code
- Sq ft 7,100 w/ 2-3 Retail Spaces including restaurant utilities on the corner space.
- Indoor Amenities - common lounge area, gym, bicycle storage area
- Rooftop Amenities – private and common sitting areas, barbecues, dog run

Initial Terms, Financing & Rent Rates

PROJECT FINANCING	APPLICANTS REQUESTED/RDA RECOMMENDED TERMS
Total Project Cost - **$19,316,160**	Incentive Amount Requested- **$6,254,275**
Developer Equity - **$4,261,885**	Percentage of Residential Development Costs - **50%**
RDA Incentive - **$6,254,275**	AMI – **Average of 60% AMI**
Financing - **$8,800,000**	Affordable Units - **50 One-Bedroom Units**
	Term Length – **20 years**

SLCo MARKET RATE RENT	RENT FOR 60% AMI
1 Bedroom (2 persons) $1,625	1 Bedroom (2 persons) - **$1,389**
Utilities + Amenities = **$100 - $150**	Utility Allowance + Amenities Included – **($50)**
Estimated Total Market Rate = **$1,725 - $1,775**	Estimated Savings Per Month = **$336**

Incentive & Project Timeline



IF RDA BOARD PROVIDES PRE-APPROVAL:

This Week – The RDA will release the Pre-Approval Letter

August 20 – Bring the final Affordable Housing Incentive Agreement to the RDA Board.

Fall/Winter 2024 - Construction Starts

Spring/Summer 2026 - Construction Completed

Letter of Pre-Approval

Documentation of pre-approval is needed for Black Pine to secure financing for this project. Once initial terms are approved by the RDA Board, the Agency will release a **Pre-Approval Letter** to Black Pine. This letter serves only as pre-approval of Black Pines Initiative application. This letter is not a guarantee or commitment to lend, loan, or provide money for the project.

Recommended Motion

Recommendation:

Approval of **Resolution No. 2024-21RDA** with the following motion:

"I move that we suspend the rules and pass Resolution No. 2024-21RDA approving the initial terms for an affordable housing incentive through the Main Street Upper Floor Housing Initiative for the Black Pine, LLC. Mixed-Use Development Located at 7592 South Main Street, Midvale."

Canary/West Main Comparable

WEST MAIN INITIAL TERMS	THE CANARY INITIAL TERMS
Incentive Amount Requested- **$6,254,275**	Incentive Amount Recommended - **$1,917,056**
Percentage of Development Costs - **50%**	Percentage of Development Costs - **40%**
AMI – **Average of 60% AMI**	AMI - **60% AMI and below**
50 One-Bedroom Units	14 One-Bedroom and 2 Studio Units
Term Length – **20 years**	Term Length – **20 years/buy back option at 15 years**

Board Member Dustin Gettel asked if the dog park would be open to the public and what is the size.

Jeff Beck with Black Pine Group said it will be located on the rooftop of the building but he doesn't know the exact size and due to liability concerns it will only be available to the tenants.

Chair Stevenson asked if all 66 units are one bedroom.

Jeff Beck said there is a mix of one bedroom, two bedroom, and studio units. The majority of the one-bedroom units will be the affordable units.

Chair Stevenson asked why there are no two-bedroom affordable units.

Jeff Beck said that from an economics standpoint it works out better for only the one bedroom units to fall into the affordable category. The project, once approved, is expected to be done in the fall of 2025.

MOTION: **Board Member Dustin Gettel MOVED to suspend the rules and approve RESOLUTION NO. 2024-21RDA Approving the Initial Terms for an Affordable Housing Incentive Through the Main Street Upper Floor Housing Initiative for the Black Pine, LLC. Mixed-Use Development Located at 7592 South Main Street Midvale. 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	**Absent**
Board Member Heidi Robinson	**Aye**

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 was adjourned at 6:29 p.m.

Rori L. Andreason, MMC
City Recorder

Approved this September 3, 2024.