

RDA MEETING

PACKET

DATE:

September 24, 2024

AGENDA
KANE COUNTY REDEVELOPMENT AGENCY/ CRA
MEETING TO BE HELD TUESDAY September 24, 2024 at 1:45 p.m.
IN THE COMMISSION CHAMBERS AT THE KANE COUNTY COURTHOUSE

View Online www.kane.utah.gov/publicmeetings or Dial: (US) +1 240-394-8436 – PIN: 821 151 844#

CONSENT AGENDA: Approval of July 9, 2024 RDA Minutes

REGULAR AGENDA:

- 1. Consideration of Authorizing the Approval of the First Amendment to the Tax Increment Participation Agreement by and between the Agency and ZMLSD within the East Zion CRA Project Area for the Purpose of Funding the Visitor Center and Related Projects**

Closed Session

- Discussing an individual's character, professional competence, or physical or mental health.
- Strategy sessions to discuss collective bargaining, pending or reasonably imminent litigation, or the purchase, exchange lease or sale of real property.
- Discussions regarding security personnel, devices or systems.
- Investigative proceedings regarding allegations of criminal misconduct.

NOTICE OF SPECIAL ACCOMMODATION DURING PUBLIC MEETINGS:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Chameill Lamb at (435) 644-2458.

Agenda items may be accelerated or taken out of order without notice as the Administration deems appropriate.

All items to be placed on the agenda must be submitted to the Clerk's office by noon Tuesday, prior to the meeting date.

CONSENT AGENDA

Approval of:

RDA Meeting Minutes for July 9, 2024

**MINUTES OF THE
KANE COUNTY REDEVELOPMENT AGENCY/ CRA
MEETINGS TO BE HELD TUESDAY July 9, 2024 at 1:00 P.M.
IN THE COMMISSION CHAMBERS AT THE COURTHOUSE**

PRESENT: Member Kubeja, Member Heaton, Member Meyeres, Attorney Van Dyke, Clerk/Auditor Chameill Lamb, Deputy Clerk/Auditor Candice Brown, Keiren Chatterley, Rhonda Gant

CALL MEETING TO ORDER & WELCOME: Member Kubeja

CONSENT AGENDA: Approval of April 2, 2024 RDA Minutes

Motion to approve the Consent Agenda made by Board Member Heaton and motion carried with all Board Members present voting in favor.

REGULAR AGENDA:

1. Review/Action on the RDA Bylaws

Member Kubeja mentioned that the RDA Bylaws were signed back in 2019 and some things have changed. They need to change some things to make sure they are accurate with how they are doing business today.

The Members went over the changes they were wanting to make. Attorney Van Dyke said that he would get the changes made and then they will bring the bylaws back to a future meeting.

Motion to adjourn made by Member Meyeres and motion carried with all Members present voting in favor.

WHEREUPON MEETING ADJOURNED

Chairman Patty Kubeja

Secretary Chameill Lamb

AGENDA ITEMS

ITEM # 1

Consideration of Authorizing the Approval of the First
Amendment to the Tax Increment Participation
Agreement by and between the Agency and ZMLSD
within the East Zion CRA Project Area for the Purpose of
Funding the Visitor Center and Related Projects

First Amendment to
TAX INCREMENT PARTICIPATION AGREEMENT

By and Between
**KANE COUNTY REDEVELOPMENT AGENCY AND
ZION MOUNTAIN LOCAL SERVICE DISTRICT**

This FIRST AMENDMENT TO TAX INCREMENT PARTICIPATION AGREEMENT (the “First Amended Tax Increment Participation Agreement”) amends the previously approved TAX INCREMENT PARTICIPATION AGREEMENT (the “Agreement”), dated May 24, 2022, by and between KANE COUNTY REDEVELOPMENT AGENCY (the “Agency”), operating for the benefit of Kane County, Utah (the “County”) and organized and existing under the laws of the State of Utah (the “State”), and the ZION MOUNTAIN LOCAL SERVICE DISTRICT (the “District”), a political subdivision of the State organized and existing under the laws of the State.

WHEREAS, the Agency entered into the Agreement wherein they agreed to remit Agency Funds to the District for the purpose of constructing, equipping, and financing (i) a Visitor Center and associated amenities (the “Visitor Center”), and (ii) a Water Reclamation Facility and associated improvements; and

WHEREAS, the District has determined that the cost of constructing, equipping and financing the Visitor Center has increased from the original estimated cost of the Visitor Center and has determined that it will need to raise additional capital resources (potentially through the Permanent Community Impact Fund Board of the State of Utah (the “CIB”) or other debt obligations) in order to fully satisfy the total cost of the Visitor Center; and

WHEREAS, the District and Agency desire to amend the Agreement with this First Amended Tax Increment Participation Agreement in order to clarify and amend certain provisions outlined in the Agreement related to prioritization of security liens of the Agency Funds and to ensure that increases in the total costs to construct, equip and finance the Visitor Center and Water Reclamation Facility are addressed and outlined accordingly; and

WHEREAS, the Agency and District agree that all other provisions, requirements, covenants, and agreements as currently constituted in the Agreement will remain in full force and effect with the exception of the specific amendments noted in this First Amended Tax Increment Participation Agreement.

The Agency and District agree to supplement and amend the Agreement with the following provisions:

In the Agreement, Section 2 paragraph (e)(iii)(A) designates a first lien pledge on Agency Funds collected each year to be pledged to the repayment of the Visitor Center debt and obligations. Said language shall be amended to be:

(A) A first lien pledge to satisfy the Visitor Center obligation listed below, before any Agency Funds are available to finance other purposes or improvements as outlined in the Second Amended Project Area Plan and Budget;

(1) The annual Visitor Center CIB debt service payment (including all annual debt service requirements for the Visitor Center) and Debt Service Reserve Fund requirements for the Community Impact Fund Board “CIB”) loan (including all Debt Service Reserve Fund requirements for the Visitor Center), as illustrated in **[Exhibit F]**. The total anticipated amount necessary to fund annual debt service

obligations and the establishment of the Debt Service Reserve Fund requirement related to the Visitor Center is approximately [\$25,500,000] of Agency Funds, which will be distributed over the life of the Project Area and is approximately [30%] of the total Agency Funds, as outlined in [Exhibit H].

(2) The establishment of a Debt Service Reserve Fund over six years, which annual amount is estimated to be approximately [\$146,000], totaling [\$876,000] over the period of time for which the Debt Service Reserve Fund requirement is established. The actual amount of the Debt Service Reserve Fund is anticipated to be the lesser of: (i) 10% of the par amount of bonds issued for the Visitor Center, or (ii) the maximum annual debt service amount on all bonds issued for the Visitor Center, or (iii) 125% of the average annual debt service on all bonds issued for the Visitor Center. The Debt Service Reserve Fund associated with all outstanding indebtedness issued for the Visitor Center shall be released at the final payment year to be used to pay in part or in whole the last principal and interest payments on the Visitor Center, with any surplus being used for other development activities identified in the East Zion CRA Project Area Plan and Budget; and

In the Agreement, Section 2 paragraph (e)(iii)(B) designates a second lien pledge on Agency Funds collected each year to be pledged to the repayment of the Water Reclamation Facility debt and obligations. Said language shall be amended to be:

(B) After the first lien pledge of the Agency Funds has been fully satisfied, a second lien pledge is herein established for the purposes of satisfying the constructing, equipping and financing of the Water Reclamation Facility Project obligations listed below, before any Agency Funds are available to finance other purposes or improvements as outlined in the Second Amended Project Area Plan and Budget, not to exceed a maximum of an annual average of [17%] of the remaining Agency Funds after the annual first lien pledge has been fully satisfied, and not to exceed [\$11,000,000] over the life of the 20-year life of the Project Area:

(1) The annual Water Reclamation Facility CIB and other debt service payments and obligations and all Debt Service Reserve Fund requirements for CIB and other debt obligations related to the Water Reclamation Facility, as outlined in Exhibit G. It is estimated that the total amount of Agency Funds needed to satisfy the requirements of the second lien pledge will be approximately [16.2%] and will only be available for distribution after the first lien pledge (Visitor Center obligations) have been fully satisfied, as further described in [Exhibit H]; and

(2) The establishment of a Debt Service Reserve Fund over six years, or whatever period is required under the obligations to fund the Water Reclamation Facility required Debt Service Reserve Fund, which annual amount is anticipated to be [\$70,000], totaling [\$420,000] over the anticipate life of establishing the Debt Service Reserve Fund. The actual amount of the Debt Service Reserve Fund is anticipated to be the lesser of: (i) 10% of the par amount of bonds issued for the Water Reclamation Facility, or (ii) the maximum annual debt service amount on all bonds issued for the Water Reclamation Facility, or (iii) 125% of the average annual debt service on all bonds issued for the Water Reclamation Facility. The Debt Service Reserve Fund associated with all outstanding indebtedness issued for the Water Reclamation Facility shall be released at the final payment year to be used to pay in part or in whole the last principal and interest payments on the Water Reclamation Facility, with any surplus being used for other development activities identified in the East Zion CRA Project Area Plan and Budget;

IN WITNESS WHEREOF, the Agency and the District have executed this First Amendment to the Tax Increment Participation Agreement effective as of the date shown above.

KANE COUNTY REDEVELOPMENT AGENCY (the "Agency")

[Patty Kubeja]
Kane County Redevelopment Agency Chair

ATTEST:

Approved as to Form and Legal Consent:

By: _____
Kane County RDA Clerk

Robert Van Dyke
Kane County RDA Attorney

ZION MOUNT LOCAL SERVICE DISTRICT (the "District")

By: _____
District Board of Trustees – Chair

ATTEST:

By: _____
District Clerk

[EXHIBIT F]

**VISITOR CENTER AMORTIZATION SCHEDULE, DEBT SERVICE, AND
DEBT SERVICE RESERVE FUND**

[EXHIBIT G]

**WATER RECLAMATION FACILITY AMORTIZATION SCHEDULE, DEBT SERVICE AND
DEBT SERVICE RESERVE FUND**

[EXHIBIT H]

TAX INCREMENT CASH FLOW PROJECTIONS