REDEVELOPMENT AGENCY

MEMBERS:
LEANNE HUFF
COREY THOMAS
SHARLA BYNUM
NICK MITCHELL
PAUL SANCHEZ
NATALIE PINKNEY
CLARISSA WILLIAMS

EXECUTIVE DIRECTOR
CHERIE WOOD

City of South Salt Lake Redevelopment Agency
AGENDA

Public notice is hereby given that the City of South Salt Lake Redevelopment Agency will hold a meeting on **Wednesday, October 23rd, 2024,** in the City Council Chambers, 220 East Morris Avenue, Suite 200, commencing at **6:30 p.m.**, or as soon thereafter as possible.

To watch the meeting live click the link below to join:
https://zoom.us/j/93438486912

Watch recorded City Council meetings at: youtube.com/@SouthSaltLakeCity

Conducting: LeAnne Huff, Redevelopment Agency Chair

Opening Ceremonies

1. Roll Call

No Action Comments

1. Report of the Executive Director

Approval of Minutes

August 28th, Redevelopment Agency Meeting

New Business/Unfinished Business

1. A Resolution of the Redevelopment Agency of South Salt Lake Authorizing the Executive Director to Execute an Amended Interlocal Cooperation Agreement Between the Agency and Salt Lake County for the Streetcar Community Development Project Area — Jonathan Weidenhamer

2. A Resolution of the Redevelopment Agency of South Salt Lake Adopting the South Salt Lake Housing and Transit Reinvestment Zone Tax Increment Program Policy — Jonathan Weidenhamer

Adjourn

Posted October 18, 2024

Those needing auxiliary communicative aids or other services for this meeting should contact Ariel Andrus at 801-483-6019, giving at least 24 hours' notice.

In accordance with State Statute and RDA Board policy, one or more Board Members may be participating electronically.

Have a question or concern? Call the connect line 801-464-6757 or email connect@sslc.gov

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SOUTH SALT LAKE
UTAH
84115
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SSLC.GOV

CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY
MINUTES OF MEETING HELD

Date & Time	Wednesday, October 23, 2024 6:30 p.m.
Location	220 East Morris Avenue South Salt Lake, Utah 84115
Conducting:	LeAnne Huff, RDA Chair

DIRECTORS PRESENT:
LeAnne Huff, Corey Thomas, Sharla Bynum,
Nick Mitchell, Clarissa Williams, and Natalie Pinkney

DIRECTORS EXCUSED:
Paul Sanchez

STAFF PRESENT:
Cherie Wood, Executive Director
Josh Collins, Agency Attorney
Terry Addison, Fire Chief
Ryan Cram, Deputy Police Chief
Jared Christensen, Deputy Fire Chief
Jonathan Weidenhamer, Community & Economic Development Director
Crystal Makin, Finance Director
Ariel Andrus, RDA Secretary
Sara Ramirez, Deputy City Recorder
Jen Hill, Executive Assistant
Carson Aprato, Police Detective
Yasmin Abbyad, Emergency Management Coordinator

Others Attending: See Attached

Opening Ceremonies

1. **Roll Call.** Six Board Members were present. Director Sanchez was excused.

No Action Comments.

1. **Report of the Executive Director.** None.

Approval of Minutes

August 28th, RDA Meeting – Director Bynum moved to approve these minutes.

MOTION: Sharla Bynum
SECOND: Clarissa Williams

Voice Vote:

Bynum:	Yes
Huff:	Yes
Mitchell:	Yes

Pinkney: Yes
Thomas: Yes
Williams: Yes
Sanchez: Absent

Unfinished Business

1. **A Resolution of the Redevelopment Agency of South Salt Lake Authorizing the Executive Director to Execute an Amended Interlocal Cooperation Agreement Between the Agency and Salt Lake County for the Streetcar Community Development Project Area.**

   Community and Economic Development Director, Jonathan Weidenhamer, introduced consultant, Rob Sant to speak about the project area that was created back in 2017 for what is now The Zeller apartment building community. Consultant, Cody Deeter, was also present to provide any additional input if requested by the Board Members.

   The agreement with the County was adopted in 2018 and included an overall cap of the County's tax increment of around $509,000. The County had agreed to give the City 100% of the tax increment with a 40% rebate back to them every year as a mitigation payment, 5% for administrative costs, and 10% for housing. An error was made in the cap where it was left at 100% before they reduced the numbers, and to where the County hadn't paid certain funds to the Redevelopment Agency in the last year. They reached out to the Redevelopment Agency and both groups met to discuss how to solve this matter. After calculating numbers and going over additional data, they also realized that the Redevelopment Agency hadn't paid the 10% for housing since 2019. The Redevelopment Agency asked if instead of paying the County the 10% for housing if it could instead be retained by the Redevelopment Agency and be used for affordable housing projects in the City, to which the County agreed.

   This amendment to the interlocal cooperation reflects that and a few other sections of the agreement. It shows that 10% of affordable housing that was going to the County will be retained by the Redevelopment Agency. It also clarifies that the tax increment cap will be after the Redevelopment Agency reduces the mitigation payments. The funds will balance out in this next year to where the Redevelopment Agency will recoup the funds that it didn't receive in the previous year. Since these changes involved some adjustments to the financial numbers, a formal amendment had to be made to the interlocal agreement. Additionally, the County has already adopted the amended agreement.

   The Board Members had no additional questions or input.

   Director Bynum made a motion to approve the Resolution.

   A copy of the Resolution and amended Interlocal Agreement is attached and incorporated by this reference.

MOTION: Sharla Bynum
SECOND: Clarissa Williams

Roll Call Vote:
Bynum: Yes

Huff: Yes
Mitchell: Yes
Pinkney: Yes
Thomas: Yes
Williams: Yes
Sanchez: Absent

2. **A Resolution of the Redevelopment Agency of South Salt Lake Adopting the South Salt Lake Housing and Transit Reinvestment Zone Tax Increment Program Policy.**

Community and Economic Development Director, Jonathan Weidenhamer, introduced Consultant, Rob Sant, to speak on the matter.

Mr. Sant provided a summary of the matter, noting that the Housing and Transit Reinvestment Zone (HTRZ) was created last year in December 2023. An HTRZ is a relatively new tool in comparison to the more well-known Tax Increment Financing (TIF) areas that the State created to mitigate the affordable housing crisis that the State is experiencing, and to capitalize on developments built around mass-transit.

The reimbursement policy will be used by the Redevelopment Agency as developers seek to receive a portion of these tax increment funds. This policy will also help the Redevelopment Agency ensure that they are getting the types of projects they want to see come into the City.

Mr. Sant reviewed key highlights of the policy, such as:

a. The policy is specific to the distribution of tax increment funds in the Downtown South Salt Lake Housing and Transit Reinvestment Zone.
b. The policy established minimum housing affordability and public benefit thresholds that developers need to meet to receive any funds.
c. The Redevelopment Agency Board would ultimately approve all tax increment reimbursement agreements.

State Code regulates what types of things HTRZ funds can be used for. It includes:

a. Income targeted housing costs
b. Structured parking
c. Enhanced development costs
d. Horizontal construction costs
e. Vertical construction costs
f. Property acquisition
g. HTRZ administration (2% cap)

In order to be eligible to receive public funds, projects that incorporate housing within the HTRZ must meet certain requirements.

a. 12.5% of all housing must be affordable.
b. Activated ground floor space (20% of all ground floor must be either publicly accessible or a private residence).
c. Meet at least 3 of the following Enhancement Benchmarks
    i. Public facing building amenities

ii. Permanent job creation
iii. Affordable commercial spaces
iv. Transportation opportunities
v. Public art
vi. Public space
vii. Walkability
viii. Enhanced design standards
ix. Energy efficient building standards
x. Adaptive reuse of existing buildings

If a project does not incorporate housing, it must include:

a. Activated ground floor space beyond the City's current zoning requirements
b. Must meet at least 5 of the 10 HTRZ Enhancement Benchmarks, at the sole discretion of the Redevelopment Agency.

A project that meets these threshold requirements will be eligible to receive 50% of the 80% tax increment funding generated by the property for a 15-year term within a 30-year window. The final amount is negotiated based on the project's eligible costs, level of public benefit, and will be at the full discretion of the Redevelopment Agency board.

Slildes 9 and 10 of the presentation showed examples of two different multi-family projects and what the projected tax increment funding and the distribution of those funds would be.

Council Member Thomas asked if the percentage received would stay the same throughout the 15 years.

Mr. Sant said that it's based off the percentage, not the number.

Council Member Williams asked what 'permanent job creation' meant as a part of the Enhancement Benchmarks.

Mr. Weidenhamer said that it's based on the concept of creating office spaces along with high paying jobs.

Council Member Mitchell asked about whether 3-bedroom units were a requirement of housing projects.

Mr. Weidenhamer confirmed that was the case and stated that those are the types of things that can be negotiated. The guidelines provide the intent of what the Redevelopment Agency would want to see.

Council Member Pinkney said that her concern was that most of these units would be studio or one-bedroom apartments. She stated that since these developers are receiving tax increment financing the Redevelopment Agency should consider what guidelines could help to bring larger units to the community.

Mr. Weidenhamer said that a lot of what the market has delivered in the last year alone has been one-bedroom units and agreed that it doesn't reflect the City's priorities either. The Agency was able to use funds from the Market Station Urban Renewal Area (URA) to negotiate

20% of these units coming in to be 2–3-bedroom units. He expanded on this point that the Agency will continue to use more of these tools to focus on ownership or family options.

There were no further comments or questions.

Director Bynum made a motion to approve the Resolution.

MOTION: Sharla Bynum
SECOND: Corey Thomas

Roll Call Vote:

Bynum:	Yes
Huff:	Yes
Mitchell:	Yes
Pinkney:	Yes
Thomas:	Yes
Williams:	Yes
Sanchez:	Absent

The meeting adjourned at 6:53 p.m.

LeAnne Huff

LeAnne Huff, RDA Chair

Ariel Andrus, RDA Secretary

23-Oct-24

Please sign in for each meeting

REDEVELOPMENT AGENCY MEETING

LIST OF ATTENDEES

NAME	CITY/TOWN	REPRESENTING
Rob Scott		consultant
Cody Dexter		EFG Consulting

RESOLUTION NO. RDA2024 11

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF SOUTH SALT LAKE AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDED INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND SALT LAKE COUNTY FOR THE STREETCAR COMMUNITY DEVELOPMENT PROJECT AREA.

WHEREAS, pursuant to the Interlocal Cooperation Act, Utah Code § 11-13-101 et seq. as amended (the "Interlocal Act"), and the relevant provisions of the Community Reinvestment Agency Act located in Title 17C of the Utah Code as amended (the "Act"), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS, Utah Code § 11-13-202.5 requires interlocal agreements providing for either: 1) the Agency to share taxes or other revenues; or 2) requiring the Agency to adjust its budget for a current or future fiscal year, to be approved by the legislative body of the Agency; and

WHEREAS, the Redevelopment Agency of South Salt Lake (the "Agency") and Salt Lake County (the "County"), are public agencies for purposes of the Act, and are therefore authorized to enter into agreements; and

WHEREAS, the Agency and the County entered into an interlocal cooperation agreement in 2018 that provides for the Agency to receive a portion of the County's tax increment generated from the Streetcar Community Development Project Area (the "Agreement"); and

WHEREAS, the Agreement provided that the Agency would transfer its Affordable Housing Set-Aside (as defined therein) to the County to be used to provide Income Targeted Housing (as defined therein) within the County; and

WHEREAS, the Agency and the County have now determined, through Amendment No. 1 to the Interlocal Cooperation Agreement between Salt Lake County and the City of South Salt Lake Redevelopment Agency for the Streetcar Community Development Project Area (the "Amended Agreement"), that their mutual intent is to allow the Agency to retain the Affordable Housing Set-Aside for its own use within its own boundary; and

WHEREAS, because the agreement provides for the Agency to share taxes or other revenues with the County and requires a budget adjustment during the current or future fiscal year, it must be approved by the Board of the Agency;

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF SOUTH SALT LAKE, AS FOLLOWS:

1. That the Amended Agreement substantially in the form attached hereto as <u>Exhibit A</u> and incorporated by this reference, is approved.

2. That the Executive Director of the Redevelopment Agency of South Salt Lake is authorized to execute the Amended Agreement.

3. Pursuant to Utah Code § 11-13-202.5(3) of the Interlocal Act, the Amended Agreement has been submitted to the Attorney for the Agency for review and approval as to proper form and compliance with applicable law.

4. Pursuant to Utah Code § 11-13-209 of the Interlocal Act, a duly executed original counterpart of the No 1. Amended Agreement shall be filed immediately with the Agency Secretary who is the keeper of records of the Agency.

4. As provided in Utah Code § 17C-4-202, the Amended Agreement shall be effective at the end of the 30-day period during which the Agency publishes notice of the Agreement in accordance with the requirements of Utah Code § 17C-4-202, and Utah Code § 11-13-219.

5. The Amended Agreement is effective as stated therein.

APPROVED AND ADOPTED by the Redevelopment Agency of South Salt Lake, Utah, on this 23rd day of October, 2024.

REDEVELOPMENT AGENCY OF SOUTH SALT LAKE:

LeAnne Huff

LeAnne Huff, RDA Chair

RDA Board Vote as Recorded:

Huff: yes
Thomas: yes
Bynum: yes
Mitchell: yes
Sanchez: absent
Pinkney: yes
Williams: yes

CITY OF SOUTH SALT LAKE
CORPORATE
Seal
REDEVELOPMENT AGENCY

Attest:

Agency Secretary

EXHIBIT A

AMENDMENT NO. 1

to the

INTERLOCAL COOPERATION AGREEMENT

between

SALT LAKE COUNTY

and

CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY

For the Streetcar Community Development Project Area

September 10, 2024

Ms. Rachael Rigdon
Contracts Manager
Contracts & Procurement Division
Rm. N4-600, Government Center
Salt Lake City, Utah 84190

Dear Ms. Rigdon:

The Salt Lake County Council, at its meeting held this day, approved the attached RESOLUTION NO. 6231 authorizing execution of AMENDMENT NO. 1 to the INTERLOCAL AGREEMENT between Salt Lake County for its Economic Development Division and the **City of South Salt Lake Redevelopment Agency** – Streetcar Community Development Project Area.

The amendment replaces Section 2.2(d) to require that for each tax year during the Tax Increment collection period, the City of South Salt Lake Redevelopment Agency shall commit an amount equal to 10 percent of any County Tax Increment it receives from the County Treasurer for affordable housing projects.

The amendment also replaces Section 2.3 to require that the total amount of County Tax Increment paid to the City of South Salt Lake Redevelopment Agency from the project area during the Tax Increment collection period, after deducting annual mitigation payments and the administrative fee paid to the County, may not exceed $400,548 from the Countywide Tax Levy and $107,950 from the Library Tax Levy.

The amendment further replaces Section 2.6(a)(2) to reduce the County's administrative fee by one-half.

The amendment will take effect immediately upon approval by both parties.

Pursuant to the above action, you are hereby authorized to effectuate the same.

Respectfully yours,

SALT LAKE COUNTY COUNCIL

LANNIE CHAPMAN, COUNTY CLERK

By ______________________
Deputy Clerk

ks

pc: Darrin Casper/Mayor Finance
Kersten Swinyard/Economic Development Division
Shawna Soliz/Contracts & Procurement Division

SALT LAKE COUNTY RESOLUTION

RESOLUTION NO. 6231 September 10, 2024

A RESOLUTION OF THE SALT LAKE COUNTY COUNCIL APPROVING EXECUTION OF AN AMENDMENT TO THE INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY FOR THE STREETCAR COMMUNITY DEVELOPMENT PROJECT AREA

WITNESSETH

WHEREAS, Salt Lake County and the City of South Salt Lake Redevelopment Agency (the "Agency") are "public agencies" as defined by the Utah Interlocal Cooperation Act, UTAH CODE §§ 11-13-101 to -608, and are therefore authorized to enter into agreements to act jointly and cooperatively in a manner that will enable them to make the most efficient use of their resources and powers; and

WHEREAS, the County and the Agency entered into an interlocal cooperation agreement that provides for the Agency to receive a portion of the County's tax increment generated from the Streetcar Community Development Project Area; and

WHEREAS, the agreement provided that the Agency would transfer its Affordable Housing Set-Aside (as defined therein) to the County to be used to provide Income Targeted Housing (as defined therein) within Salt Lake County; and

WHEREAS, the County and the Agency have now determined their mutual intent is to allow the Agency to retain the Affordable Housing Set-Aside for its own use within its own boundary.

RESOLUTION

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the County Council of Salt Lake County:

1. That Amendment No. 1 to the Interlocal Agreement between Salt Lake County and the City of South Salt Lake Redevelopment Agency is approved, in substantially the form attached hereto as **ATTACHMENT A**, and that the Salt Lake County Mayor is authorized to execute the same.

2. That the amendment will become effective as stated therein.

APPROVED and ADOPTED this 10th day of September, 2024.

SALT LAKE COUNTY COUNCIL

By: ______________________
~~Laurie Stringham, Chair~~ Suzanne Harrison

Date: 9/10/24

ATTEST:

Lannie Chapman

Lannie Chapman
Salt Lake County Clerk

REVIEWED AS TO FORM:

Adam Miller
2024.08.06 10:31:37
-06'00'

Adam Miller
Deputy District Attorney

Council Member Alvord voting	"Aye"
Council Member Bradley voting	"Aye"
Council Member Bradshaw voting	"Aye"
Council Member Granato voting	"Aye"
Council Member Harrison voting	"Aye"
Council Member Stewart voting	Absent
Council Member Stringham voting	"Aye"
Council Member Theodore voting	"Aye"
Council Member Winder Newton voting	"Aye"

ATTACHMENT A

Amendment No. 1 to the Interlocal Cooperation Agreement Between Salt Lake County and the City of South Salt Lake Redevelopment Agency

Streetcar Community Development Project Area

County Contract No. 0000001810
DA Log No. 24CIV001233

AMENDMENT NO. 1

to the

INTERLOCAL COOPERATION AGREEMENT

between

SALT LAKE COUNTY

and

CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY

For the Streetcar Community Development Project Area

***

This Amendment No. 1 (this "Amendment") is made to the above-named Agreement by and between SALT LAKE COUNTY, a body corporate and politic of the State of Utah (the "County"); and the CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY, a Utah community reinvestment agency (the "Agency"). The County and the Agency may be referred to herein as the "Parties."

RECITALS:

WHEREAS, the Parties entered into the Agreement (County Contract No. 0000001810, the "Agreement") that provides for the Agency to receive a portion of the County's tax increment generated from the project area.

WHEREAS, the Agreement provided that the Agency would transfer its Affordable Housing Set-Aside (as defined therein) to the County to be used to provide Income Targeted Housing (as defined therein) within Salt Lake County.

AND WHEREAS, the Parties have now determined their mutual intent is to allow the Agency to retain the Affordable Housing Set-Aside for its own use within its own boundary.

AMENDMENT:

NOW, THEREFORE, in exchange for valuable consideration, including the mutual covenants contained in this Amendment, the Parties covenant and agree as follows:

1. Section 2.2(d) of the Agreement is deleted in its entirety and replaced with the following:

> (d) Affordable Housing Set-Aside. Notwithstanding the forgoing, the Parties hereby agree that for each tax year during the Tax Increment Collection Period, the Agency shall commit an amount equal to 10% of any County Tax Increment it receives from the Salt Lake County Treasurer under this Agreement (i.e. 5% of the County's Contribution)—which amount is equal to

16.67% of the Agency's Share (10% / 60% = 16.67%)—for projects that satisfy Utah Code § 17C-1-412 (the "Affordable Housing Set-Aside"). Such projects shall result in an increase in affordable housing within the Agency's boundary and may not replace affordable housing already available within the Agency's boundary.

2. Section 2.3 of the Agreement is deleted in its entirety and replaced with the following:

2.3 Tax Increment Cap. The total amount of County Tax Increment paid to the Agency from the Project Area during the Tax Increment Collection Period after deducting any Annual Mitigation Payments and the County Administrative Fee, made to the County under Subsection 2.2 may not exceed the following limits:

(a)	Countywide Tax Levy	$400,548.00 ("Countywide Cap")
(b)	Library Tax Levy	$107,950.00 ("Library Cap")
	TOTAL	$508,498.00

The Countywide Cap and Library Cap will be proportionally reduced by the amount of any direct expenditures requested or approved by the Agency and made by the County in the Project Area during the Tax Increment Collection Period (or any extension thereof), including, but not limited to, expenditures related to the design, development, construction, or maintenance of infrastructure or amenities.

3. Section 2.6(a)(2) of the Agreement is deleted in its entirety and replaced with the following:

(2) The Agency's obligation to make the County Administrative Fee payment to the County will be reduced by one-half; and

4. This Amendment shall take effect immediately upon the approval of this Amendment by both Parties as provided in Utah Code § 11-13-202.5.

5. Following the effective date of this Amendment. the Parties agree to make any necessary adjustments to past invoices and payments to reflect the terms of this Amendment, as though they have been in place since the effective date of the Agreement.

6. All remaining provisions of the Agreement, not specifically altered by this Amendment, shall continue in full force and effect under this Amendment.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties execute this Amendment as of the latest date indicated below.

SALT LAKE COUNTY:

Catherine Kanter (Sep 17, 2024 09:41 MDT)

Mayor or Designee

Date: Sep 17, 2024

Recommended for Approval:

By: Dina Blaes

Department Director

Date: Sep 12, 2024

Reviewed as to Form:

By: Adam Miller 2024.08.06 10:29:50 -06'00'

Deputy District Attorney

CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY:

By: Cherie Wood

Name: Cherie Wood

Title: Mayor

Date: Nov 13 2024

Josh Collins

City Attorney

Ariel Andrus

City Recorder

RESOLUTION NO. RDA2024 12

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF SOUTH SALT LAKE ADOPTING THE SOUTH SALT LAKE HOUSING AND TRANSIT REINVESTMENT ZONE TAX INCREMENT PROGRAM POLICY.

WHEREAS, the Housing and Transit Reinvestment Zone Act (the "HTRZ Act") was enacted to further several objectives including promoting a higher utilization of public transit and increasing the availability of housing including affordable housing; and

WHEREAS, pursuant to the HTRZ Act, the Redevelopment Agency of South Salt Lake (the "Agency") administers the tax increment, including entering into reimbursement agreements (also known as tax increment reimbursement agreements) with project developers or property owners associated with an approved South Salt Lake Housing and Transit Reinvestment Zone (HTRZ) for the purpose of utilizing the funds as allowed by the HTRZ Act; and

WHEREAS, the Board of Directors of the Agency supports the distribution of tax increment associated with an HTRZ pursuant to the process outlined in the attached South Salt Lake Housing and Transit Reinvestment Zone Tax Increment Policy, attached as Exhibit A and incorporated herein by this reference;

NOW THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF SOUTH SALT LAKE, AS FOLLOWS:

1. That the South Salt Lake Housing and Transit Reinvestment Zone Tax Increment Policy, substantially in the form attached hereto as Exhibit A (the "HTRZ Policy") is approved.

APPROVED AND ADOPTED by the Redevelopment Agency of South Salt Lake, Utah, on this 23rd day of October, 2024.

REDEVELOPMENT AGENCY OF SOUTH SALT LAKE:

LeAnne Huff, RDA Chair

RDA Board Vote as Recorded:
Huff: yes
Thomas: yes
Bynum: yes
Mitchell: yes
Sanchez: absent
Pinkney: yes
Williams: yes

Attest:

Agency Secretary

CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY CORPORATE Seal

EXHIBIT A

South Salt Lake Housing and Transit Reinvestment Zone Tax Increment Program Policy

DOWNTOWN SOUTH SALT LAKE HOUSING AND TRANSIT REINVESTMENT ZONE (HTRZ) TAX INCREMENT PROGRAM POLICY

1. **GENERAL**
   a. **Purpose**
   The South Salt Lake Redevelopment Agency (the "RDA") Housing and Transit Reinvestment Zone (HTRZ) Tax Increment Reimbursement Program **(Program)** may grant developers or property owners a portion of tax increment (**Tax Increment Allocation**) to induce the development of improvements in or associated with an HTRZ that meet the goals and objectives of the HTRZ Act, the RDA's approved HTRZ Application, approved by the HTRZ Committee on December 20, 2023, the executed interlocal agreement between the RDA and South Salt Lake City (the "City"), and the RDA's mission and values; and provides significant public benefit. The Program is designed to provide property tax increment within the approved HTRZ above the base year value, established in 2022 (Base Year), and, as assessed and collected by Salt Lake County. The developer or property owner will receive a percentage of the tax increment generated from its project for a specified timeframe, and the RDA will receive the residual tax increment generated by the project.

   b. **Authorization**
   The RDA shall determine whether a project meets the goals and objectives of the HTRZ Act, the executed interlocal agreement between the RDA and the City, the approved HTRZ, and the RDA's mission and values. As provided in the HTRZ Act, a Tax Increment Allocation can only be authorized pursuant to a Participation Agreement (**Agreement**), the terms of an Agreement are approved by the RDA Board. The RDA Board reserves the right to modify or deny a tax increment application at any time for any reason. The RDA Board's approval of an Agreement shall be made by resolution and include a description of the development the applicant will undertake, the Tax Increment Allocation the applicant may receive, and the terms and conditions under which the applicant may receive the Tax Increment Allocation.

   c. **Tax Increment Calculation**
   The formula to calculate the Tax Increment Allocation generated from the proposed improvements shall be as follows:
      i. Step 1: Estimate the Total Annual Tax Increment.
         - Determine the property's taxable value as shown upon the assessment roll of the Base Year, as defined in the approved HTRZ Application. This value is referred to as the property's **Base Taxable Value**.
         - Calculate the difference between the Base Taxable Value of the property prior to improvements and the property's estimated taxable value after the improvements have been made. This difference is referred to as **Incremental Value**.
         - Multiply Incremental Value by the current effective tax rate. *(Incremental Value) x (Effective Tax Rate, net of county assessment and collection mills) = Total Annual Tax Increment (TIF)*

ii. Step 2: Estimate the Annual TIF ($'s) Received by the RDA.
   - Total Annual TIF Dollars multiplied by the percentage of TIF received by the RDA. *(Total Annual TIF $'s) x (80%, i.e. Share of TIF received by the RDA) = Total Annual TIF ($'s) Received by the RDA.*

iii. Step 3: Estimate the Annual Tax Increment Allocation Payment.
   - Using the developer/property owner Tax Increment Allocation rate (**Allocation Rate**) established in the Agreement, calculate the estimated annual allocation payment.
   - *(Total Annual TIF Received by the RDA) x (Allocation Rate) = Estimated Annual TIF Reimbursement Payment.* Refer to Section 2 for more information on calculating the participation rate between the RDA and the developer.

iv. Step 4: Calculate the Estimated Amount of Tax Increment Available to the Developer or Property Owner Over the Term of the Agreement.
   - *(Estimated Annual TIF Reimbursement Payment) x (the Term of the Allocation Agreement) = Total Estimated TIF Available to Developer or Property Owner Over the Term.* An annual growth multiplier based on current economic conditions may be applied to this calculation, at the RDA's sole discretion.

Actual Tax Increment Allocation is dependent on the increment being generated by the project.

d. **Eligible Costs**
The tax increment allocation will be limited by state law as indicated by Section 63N-3-607(4) of the HTRZ Act and Section 11-41-103 of the Prohibition on Retail Facility Incentive Payments Act. The RDA may determine, in its sole discretion, if the entire project or only specific project elements are eligible.

e. **Design Review**
Projects approved for increment allocation will be required to follow the City's development review process. Projects will be required to be in conformance with all City policies, ordinances, and codes.

2. REQUIREMENTS AND STRUCTURE

Projects meeting the General and Specific Requirements listed below will receive a Tax Increment Allocation Rate of at least 50%. Additional Allocation Rate, up to 90%, will be determined on a project-by-project basis based on meeting or exceeding the Non-Exhaustive Requirements listed in Section a,b, and c below. All HTRZ tax increment funds not remitted to the project will be utilized to enhance and benefit the HTRZ area and to administer the program, pursuant to the HTRZ Act and the approved HTRZ.

Owner's of certain parcels in the HTRZ have been instrumental in pioneering the revitalization of the Downtown zone prior to the creation of this policy, through their participation in the Central Pointe and S-Line transit stops (the "Downtown Sewer Public Improvement District" or "PID"), and by pulling building permits for residential units prior to the adoption of the HTRZ. In recognition of investments made to initiate the City's vision of this transit-oriented zone, at the sole discretion of the RDA Executive Director, applicants that secured a certificate of occupancy for multifamily housing before July 1, 2025 located on parcel(s) designated within the approved HTRZ will be eligible for a Tax Increment Allocation payment not to exceed an Allocation rate of 25%. As any such housing project relies on executing on plans that were established before implementation of this Policy, applicants that meet the criteria of the preceding sentence are not subject to the Specific Requirements set forth herein.

a. **General Requirements**
   i. Projects must meet the standards and objectives of the HTRZ Act and the Downtown SSL HTRZ, unless otherwise specifically exempted per administrative action and action letter or RDA Board Resolution; and,
   ii. The applicant must provide sufficient evidence (including, but not limited to the project pro forma, senior lender agreement(s), equity investor agreements, etc.) that tax increment funding is necessary for the project to succeed and to verify that the request is reasonable.
   iii. Independent review and findings to support and verify the sufficient evidence provided in section 2(a)(ii) as verified by an independent 3rd party review as determined at the sole discretion by the RDA.

b. **Specific Requirements**
   i. **As determined by the RDA, Projects that Incorporate Housing**
      - At least 12.5% of housing units within a project must be affordable to those earning 80% of the Salt Lake County Area Median Income (AMI) or below during the 15-year collection term. Exceptions:
         - RDA deems in its sole discretion that the 12.5% affordability threshold may be met cumulatively across different projects (e.g. units from a 100% affordable building resulting plus 100% market-rate buildings blending to 12.5% across all projects by phase or in totality of the HTRZ).
         - In conjunction with the preceding sentence, a partial exception may be granted to those initial Phase 1 property owners that secured approximately $32 million of financing to fund critical infrastructure improvements in the Downtown and East Streetcar Zones necessary to affect the vision and redevelopment around the Central Downtown Sewer Public Improvement District.
      - Projects must include activated, ground floor space if not a private residence. Activated ground floor space means a minimum of 20% of all ground floor. Street-facing building facades must contain an active (commercial, retail, office, or other community support space) use that is not exclusive to the tenants of the building; and,
      - At the sole discretion of the RDA, projects must meet **at least three (3)** of the HTRZ Enhancement benchmarks:

1. Public facing building amenities
2. Permanent job creation

3. Affordable commercial spaces
4. Transportation opportunities
5. Public art
6. Public space
7. Walkability
8. Enhanced design standards beyond zoning requirements
9. Energy efficiency building standards
10. Adaptive reuse of existing buildings (collectively, **HTRZ Enhancement Benchmarks**), as further defined below.

ii. **As determined by the RDA, Projects that do not Incorporate Housing**
- Projects must include activated, ground-floor space beyond zoning requirements; and,
- At the sole discretion of the RDA, projects must meet **at least five (5)** of the RDA's HTRZ Non- Exhaustive Enhancement Benchmarks.

c. **Residential Development Non-exhaustive Enhancements**
As determined by the RDA, residential development that include, or have met the following enhancements are automatically eligible for an Allocation Rate higher than 50% to partially or fully offset associated costs with the following:
i. Non-federal tax credit funded Project includes greater than 12.5% of affordable units; or,
ii. Developer causes that affordable units are maintained as affordable in excess of the 15-year collection term,
iii. Projects that incorporate housing that meet five (5) or more of the RDA's HTRZ Enhancement Benchmarks; or
iv. The inclusion of for-sale residential units; and
v. The inclusion of affordable family-sized units (3+ bedroom units).

d. **Non-Residential Development Non-Exhaustive Enhancements**
As determined by the RDA, non-residential development that include, or have met the following enhancements are automatically eligible for an Allocation Rate higher than 50% to partially or fully offset associated costs with the following
i. Projects that meet six (6) or more of the RDA's HTRZ Enhancement Benchmarks,

e. **AMI Housing Requirements.**
i. Deed Restriction - If the project qualifies for a reimbursement based on the incorporation of housing, prior to executing an Agreement, a restriction shall be recorded against the property that requires continued use of the specified units as affordable housing for the term of the project area within the HTRZ. Both rent and income restrictions shall be included to limit the maximum rent that can be charged for a unit and to require that the unit be made available only to households with qualifying incomes.

f. **Eligible Project Locations**
Eligible projects must be in or associated with an active approved HTRZ that allows tax

increment reimbursements pursuant to the HTRZ Act and the approved HTRZ.

g. **Tax Increment Allocation Term**
The Tax Increment Allocation term will be 15 consecutive years of increment allocation collection within a 30-year period, pursuant to the HTRZ Act.

3. EVALUATION AND APPROVAL PROCESS

a. Reimbursement Applications (Applications) that meet the requirements detailed in Section 2 will be evaluated and processed as detailed below.
   i. Step 1: Application Processing and RDA Staff Review.
   All Applications shall be made to RDA staff and consultants, on standard RDA forms. All Applications must be complete, as determined by RDA staff, to be evaluated, and if either the applicant or proposed project fails to demonstrate the ability to meet application requirements, RDA staff may deny the application.
   ii. Step 2: Third Party Financial Analysis
   RDA, at their sole discretion staff shall use a qualified third party consultant to provide a recommendation with supporting analysis on 1) the public benefit anticipated by the proposed development and 2) determination of financial need and whether or not the proposed development might reasonably occur without reimbursement. The third party analysis will be provided to the Administrative Panel and/or RDA Board prior to their consideration of the Reimbursement application.
   iii. Step 3: Administrative Panel Review.
   RDA staff shall forward complete applications and Third Party Analyses that meet the threshold requirements to the Administrative Panel. The Administrative Panel shall evaluate applications, supplemental materials, and other documentation necessary to thoroughly review the application and formulate a recommendation to the RDA Board.
   iv. Step 4: RDA Board Consideration of the Reimbursement Agreement Terms. Upon review of the application and supporting material, the RDA Board may consider for approval a resolution detailing the Agreement terms.
   v. Step 5: Agreement Finalization.
   Once the terms of an agreement have been authorized by the RDA Board through an approved resolution, the RDA and developer will execute an Agreement consistent with the terms approved by the RDA Board, and any other legal agreements (including an affordable housing restriction) deemed necessary by the City Attorney's Office.

b. Applications for HTRZ tax increment allocations shall include a development pro forma, projected construction schedule, estimated year for commencing tax increment collection and disbursement, and other information as deemed necessary to complete a financial analysis and pro forma review. Applications must include all required information to be considered for approval.

4. AGREEMENT TERMS

a. **Participation and Tax Increment Allocation Agreement Terms**
In addition to any other terms as recommended by legal counsel, the following terms shall be included in the Agreement:

i. Reimbursement to Benefit Owner:
The RDA intends that the beneficiary of the Reimbursement will be the owner of the project for the life of the Agreement. The Agreement and all benefits conferred under the Agreement shall benefit the project and be recorded against the property to run with the land, with the intent that all tax increment allocations will remain with the owner of the real property and project. In the event that the ownership of the real property and improvements are severed, the RDA will have sole discretion to determine the beneficiary of the tax increment allocation.

If the Agreement is executed and the real property and project are conveyed to a third party while the improvements are still being constructed, the RDA will retain the right to consent to the transfer the Agreement to the new owner, in order to ensure that the benefits the RDA anticipated receiving under the original Agreement with the original developer are consistent with the new developer. If the RDA does not consent to the transfer of the Agreement, the tax increment allocation will cease and the Agreement will terminate.

ii. Tax Appeals
All reimbursement recipients shall be required to notify the RDA if they have applied for a property tax appeal with Salt Lake County. In the event that any such appeal results in a reduction in property taxes, the percentage share of the tax increment allocation payable by the RDA to the recipient will decrease, and the percentage share of the tax increment received by the RDA shall be increased, so that the dollar amount received by the RDA is the same as if no appeal of the assessed value had been made.

iii. Recapture Provisions in the Event of Default
Agreements shall require the recapture of tax increment allocation funds allocated to a project that fails to meet the requirements as provided in the Agreement.

iv. Participant Reporting Requirements
Agreements shall require the following reporting from tax increment allocation recipients as per the following:

1. Project Completion: Upon project completion, tax increment allocation recipients shall provide a report that includes, but is not limited to, the total cost of improvements, a summary of completed improvements, and outcome metrics relating to project-specific requirements.
2. Annual Pre-Reimbursement: Contingent upon receiving an annual tax increment allocation, recipients shall provide a report that includes a notification of any tax appeals and outcome metrics relating to project-specific requirements. As applicable, the report shall include relevant

data that is certified by a financial officer or public accountant. Additionally, recipients shall provide a detailed affordable housing report, including verified incomes of the tenants and a calculation that shows that the affordable units meet the required AMI threshold, and proof that requirements are being met.

b. **Interest**

Interest will not accrue against the RDA on the anticipated or projected tax increment to be reimbursed to the developer.

5. MONETIZATION OF TAX INCREMENT

As a condition of approval, the RDA may require in the Agreement that a Project applicant consent that Tax Increment Allocation to developer may be monetized through the issuance of tax-exempt bonds via the RDA or a Public Infrastructure District. Such bond issuance may pledge any or all of the TIF received by the RDA (including anticipated Tax Increment Allocation to developer) from any project within the HTRZ at any time in the planning, entitlement, or development process, including prior to construction. Additionally, an RDA- or PID-issued bond may pledge tax increment, both RDA's share and the Tax Increment Allocation, from one or multiple projects. If the RDA elects to issue a bond, in lieu of annual payments made to the developer, the RDA, PID, or City will remit to the developer its pro-rata share of net proceeds generated by the bond (or equivalent amount from other available funds) pursuant to the developer's allocation rate established in the Agreement and accounting for all other sources of pledged revenue included in the bond indenture, which pro ration shall be calculated by a third-party bond underwriter and approved the RDA administrators. For fully approved Program applicants, funds from bond proceeds will be remitted within 60 days of bond closing, subject to state statues including Chapter 4 of Title 17D, Chapter 1 of Title 17B, and the HTRZ Act. A Program applicant with a project completed or under construction will receive its annual TIF pursuant to the Agreement until the RDA or PID provides written notice of its intent to issue a bond secured by a pledge of the Developer's Tax Increment Allocation.

6. EXCEPTIONS

The Board, by a majority vote of those present, may waive requirements or make exceptions to the foregoing criteria and procedures with a finding that the RDA's mission and values will be furthered by such waiver or exception. RDA staff will prepare a written recommendation and statement regarding the waiver or exception.

HTRZ ENHANCEMENT BENCHMARKS

Permanent Job Creation – The creation of high quality jobs within the boundaries of the HTRZ. High quality jobs are defined as jobs that have an annual gross wage that is at least 125% of the average wage of Salt Lake County.

Affordable Commercial Spaces – Decrease the displacement risk of existing businesses within the HTRZ and reduce the barriers of entry for new businesses and services, particularly locally owned and independent businesses that promote the Downtown South Salt Lake identity, local economic vitality, and that will provide essential services currently lacking in the Downtown South Salt Lake neighborhood.

Transportation Opportunities – The promotion of a multimodal transportation network within the HTRZ that ensures convenient and equitable access to various transportation options. Standards that would meet this benchmark include, but are not limited to, car sharing, bike sharing, and transit pass programs for employees and residents.

Public Art – In consultation with the City and the South Salt Lake Arts Council, the inclusion of publicly visible and accessible murals and other street art that promotes cultural expression and adds to the experience, value and identity of Downtown South Salt Lake.

Public Facing Building Amenities - In consultation with the City inclusion of publicly accessible: activated street corners, rooftop amenities, parking and/or employee parking, plaza/recreation/gathering spaces, or public support spaces that provide public access

Public Space – In consultation with the City, significant community amenities (parks, promenades, plazas, etc.) that provide opportunities for social interaction, neighborhood events, and enhance the Downtown South Salt Lake identity.

Walkability – The creation of a walkable downtown and connectivity that supports a safe and engaging pedestrian experience. As further outlined in the City's adopted streetscape, open space, and other adopted plans, including providing access to free public transportation.

Enhanced Design Standards - In consultation with the City inclusion of design standards beyond zoning requirements outlined in The Downtown South Salt Lake Design Standards.

Energy Efficiency Standards - Documentation of building certification meeting or exceeding (TBD) energy efficiency standards such as Energy Star (75+), Site EUI of 22, Fannie Mae Green Building (Towards Zero), or DFCM High Performance Building certification.

Adaptive Reuse of Existing Buildings – The acknowledgement of Downtown South Salt Lake's history and uniqueness through repurposing of historic and underutilized structures. Adaptive reuse is encouraged with general requirements outlined in Section 5.8 of The Downtown South Salt Lake Zoning Ordinance & Design Standards.