



REDEVELOPMENT AGENCY REGULAR MEETING
Minutes

Tuesday, November 18, 2014
Council Chambers
655 West Center Street
Midvale, Utah 84047

CHAIR: JoAnn Seghini

BOARD MEMBERS:

Board Member Paul Glover
Board Member Paul Hunt
Board Member Stephen Brown
Board Member Wayne Sharp

STAFF: Phillip Hill, Asst. City Manager/CED Director; Director; Rori Andreason, City Recorder/H.R. Director; Ken Vance, Public Works Director; Chad Woolley, City Attorney; Danny Walz, Redevelopment Agency Director; and Matt Pierce, Systems Administrator.

Chair Seghini called the meeting to order at 7:45 p.m.

I. ROLL CALL

Board Members Paul Glover, Paul Hunt, Stephen Brown, and Wayne Sharp, were present at roll call.

II. CONSENT AGENDA

A. APPROVE MINUTES OF September 16, 2014

MOTION: Board Member Wayne Sharp **MOVED** to approve the Consent Agenda. Board Member Stephen Brown **SECONDED** the motion. Chair Seghini called for discussion on the motion. There being none, she called for a roll call vote. The voting was as follows:

Board member Paul Glover	Aye
Board member Paul Hunt	Aye
Board member Stephen Brown	Aye
Board member Wayne Sharp	Aye

The motion passed unanimously.

III. DISCUSSION ITEMS

A. DISCUSS THE TERMS FOR A REIMBURSEMENT AGREEMENT WITH OVERSTOCK.COM

Danny Walz discussed the following terms for a reimbursement with Overstock.com:

CONDITIONS FOR REIMBURSEMENT: Owner shall provide written evidence that the project satisfies all of the conditions specified in the Reimbursement Agreement, including without limitation the following:

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Initial Conditions:

1. The project shall be completed as specified in the Reimbursement Agreement and the Development Agreement with the City.
2. The completed project shall have an assessed value of at least \$40 million.
3. The project shall have received a LEED certification of Silver or higher from the United States Green Building Council.
4. Owner shall have constructed a 1,008 stall parking structure (which will allow for the potential of increased building density in future phases) that incorporates building upgrades not required under the Development Agreement with the City, including without limitation glass enclosed stairwells, superior exterior finish and cladding materials, modulated facades, architectural detailing and other features as shall be specified in the Reimbursement Agreement.

Ongoing Conditions:

5. The project shall provide a substantial benefit to Midvale City as a result of the occupant likely attracting other high quality tenants and developments to the City. So long as Overstock occupies 100% of the project as its corporate headquarters, this condition shall be deemed satisfied. If the occupant of the project is not Overstock using the project for this purpose, this condition shall only be satisfied if Owner can reasonably demonstrate to Agency that the occupant of the project provides commensurate benefits to the City (both in terms of the taxes (of all kinds) generated and the economic impact in general and in terms of creating a business environment that will attract and maintain other users) as was the case with Overstock.
6. The occupant of the project shall employ at least 1,500 full time employees.
7. The occupant of the project shall provide average wages to its employees that are more than 120% of the Salt Lake County average.

PAYMENTS AND REIMBURSEMENT CAP: Provided that Owner satisfies all of the specified conditions, Agency will reimburse Owner for a portion of the construction costs solely from the Tax Increment from the project in an amount not to exceed (cumulatively) Nine Million Dollars (\$9,000,000) (the "Reimbursement Cap"). Agency has no obligation to reimburse Owner except from Tax Increment generated by the property taxes paid with respect to the real property portion of the project, excluding any property taxes paid with respect to personal property. The Tax Increment available to reimburse Owner ("Owner Tax Increment Share") is defined as 50% of the portion of the Tax Increment that is generated from the project that is paid to the Agency (which is 80% of the Tax Increment) during the remaining years of the Project Area Plan (i.e. through 2033).

Agency shall make each required annual payment by the later of (a) March 31 following the applicable tax year or (b) thirty (30) days following Agency's receipt of all of the Tax Increment from Salt Lake County.

REIMBURSEMENT TERM: The Reimbursement Term shall mean tax years 2017 through 2033. Agency agrees to make a payment to Owner each year during the Reimbursement Term until the earlier to occur of (a) Owner has received an amount equal to the Reimbursement Cap or (b) the expiration of the Reimbursement Term.

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REDUCTION IN PAYMENT: In the event that some but not all of the conditions are satisfied at the time a payment is due, Agency shall have no obligation to make such payment. In such event, Agency may decide to make a reduced payment in an amount which shall be in Agency's sole discretion.

SUBORDINATION: Payment of Owner's Tax Increment share shall be subordinate to Agency's payment of the following: (i) debt service on bonds or other indebtedness issued in relation to the Project Area and secured by a pledge of the Tax Increment, (ii) pre-existing reimbursement obligations; (iii) Agency's administration costs; and (iv) payment to the City for any outstanding Owner fees or Owner costs associated with the project.

Danny Walz said this agreement is still being discussed and will come back for final approval in the next few months.

Board member Stephen Brown asked when they are hoping to have the project finished. Danny Walz said Fall of 2016.

B. DISCUSS ESTABLISHING THE 2015 MEETING SCHEDULE FOR THE REDEVELOPMENT AGENCY OF MNIDVALE CITY

Rori Andreason discussed the 2015 meeting schedule for the Redevelopment Agency of Midvale City.

IV. ADJOURN

MOTION: Board Member Wayne Sharp **MOVED** to adjourn. Board Member Paul Hunt **SECONDED** the motion. Chair Seghini called for discussion on the motion. There being none, she called for a call vote. The motion passed unanimously.

Chair Seghini declared the meeting adjourned at approximately 8:10 p.m.

Rori L. Andreason, MMC
City Recorder

Approved this 16th day of December, 2014