

REDEVELOPMENT AGENCY REGULAR MEETING

Minutes



**Tuesday, September 2, 2014
Council Chambers
655 West Center Street
Midvale, Utah 84047**

CHAIR: JoAnn Seghini

BOARD MEMBERS:

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

STAFF: Kane Loader, City Manager; Phillip Hill, Asst. City Manager/CED Director; Laurie Harvey, Assistant City Manager/Admin. Services Director; Rori Andreason, City Recorder/H.R. Director; Ken Vance, Public Works Director; Lisa Gardner, Prosecuting Attorney; Danny Walz, Redevelopment Agency Director; and Jarin Blackham, IT Manager.

Chair Seghini called the meeting to order at 8:30 p.m.

I. ROLL CALL

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

II. PUBLIC HEARING

A. CONSIDER AMENDMENTS TO THE FY2015 BUDGET OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY

MOTION: Board Member Wayne Sharp **MOVED** to open the public hearing. 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 Hunt	Aye
Board member Steve Brown	Aye
Board member Robert Hale	Aye
Board member Wayne Sharp	Aye
Board member Paul Glover	Aye

The motion passed unanimously.

Danny Walz said On August 5, 2014, the Board of Directors of the Redevelopment Agency adopted the Fiscal Year 2015 budget. Since that time an issue as arisen that warrants an amendment to the annual budget. Detail of the budget adjustment is attached to the resolution. Staff recommends approval of the resolution and amendment of the Fiscal Year 2015 budget.

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FISCAL IMPACT: This amendment to the Fiscal Year 2015 has a minimal impact on the Agency's overall budget. While the debt obligation and associated commitment of repayment is significant, the Agency anticipates an immediate sale of the property and repayment of funds. The timing of these transactions and transfer of funds make it necessary to amend the annual budget.

MOTION: Board Member Wayne Sharp **MOVED** to close the public hearing. Board Member Paul Hunt **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 Hunt	Aye
Board member Steve Brown	Aye
Board member Robert Hale	Aye
Board member Wayne Sharp	Aye
Board member Paul Glover	Aye

The motion passed unanimously.

ACTION: **APPROVE RESOLUTION NO. 2014-07RDA AMENDING THE FY2015 BUDGET FOR THE REDEVELOPMENT AGENCY OF MIDVALE CITY**

MOTION: Board Member Paul Hunt **MOVED** to adopt Resolution No. 2014-07RDA amending the budget for the Redevelopment Agency of Midvale City for Fiscal Year 2015. Board Member Robert Hale **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 Robert Hale	Aye
Board member Wayne Sharp	Aye

The motion passed unanimously.

III. CONSENT AGENDA

A. APPROVE MINUTES OF AUGUST 19, 2014

MOTION: Board Member Wayne Sharp **MOVED** to approve the Consent Agenda. Board Member Paul Hunt **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 Hunt	Aye
Board member Steve Brown	Aye
Board member Robert Hale	Aye
Board member Wayne Sharp	Aye
Board member Paul Glover	Aye

The motion passed unanimously.

IV. ACTION ITEMS

A. APPROVE RESOLUTION NO. 2014-08RDA AUTHORIZING THE EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT BETWEEN SALT LAKE COUNTY AND THE REDEVELOPMENT AGENCY OF MIDVALE CITY

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Danny Walz stated that over the past several months, City and Agency staff have been in discussions with Salt Lake County for the purchase of their property at approximately 7350 South 700 West in the Bingham Junction Project Area. The 5-acre parcel was originally purchased by the County with the intention of developing a health clinic on the site. Following a design-build offering of the property it was determined that the site would not meet the needs of the County or fit within the land use of the View 72 Corporate Office Park.

Parallel to this, Arbor Gardner, the developer of the View 72 project, began negotiations with Overstock on the purchase and development of the adjoining 8 acres into a corporate headquarters with a parking structure and ancillary buildings. Ultimately, Overstock's development of the property became contingent on the purchase and inclusion of the County's parcel into the overall project. The development proposed by Overstock is estimated to cost \$90-\$100 million and represents a significant investment for the Bingham Junction Project area as well as Midvale City.

At this time, the County has declared the property surplus and is prepared to sell the parcel to the Agency at the price of \$3,015,099.65. The intention is for the Agency to immediately resell the property to Overstock which puts the parcel into private ownership subject to payment of property taxes. The attached agreement has been prepared by the County and reviewed by both RDA and City legal counsel. Staff recommends approving the agreement so that it can be forwarded to the County Council for approval at their next meeting.

FISCAL IMPACT: In order to facilitate the transaction, the Agency will need to borrow the funds from the City through a formal Loan Agreement. The Loan Agreement represents an obligation that will be repaid with the immediate sale of the property to Overstock. The Loan Agreement and related budget amendments are being recommended for approval under separate resolutions.

MOTION: Board Member Stephen Brown **MOVED** to adopt Resolution No. 2014-08RDA authorizing the execution of an Interlocal Cooperation Agreement between Salt Lake County and the Redevelopment Agency of Midvale City. Board Member Robert Hale **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 Stephen Brown	Aye
Board member Robert Hale	Aye
Board member Wayne Sharp	Aye
Board member Paul Glover	Aye
Board member Paul Hunt	Aye

The motion passed unanimously.

B. APPROVE RESOLUTION NO. 2014-09RDA AUTHORIZING THE EXECUTION OF A LOAN AND REPAYMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND MIDVALE CITY

Danny Walz said Midvale City's Redevelopment Agency (RDA) is vested with the responsibility of undertaking redevelopment projects within the City. At the present time, a specific parcel of real estate in the project area is available for the RDA to purchase. The RDA anticipates an immediate sale of the property to a third party; The RDA does not have adequate cash to purchase the property. Midvale City's Public Utilities Fund has adequate cash reserves available to advance to the RDA. The RDA intends to reimburse the Public Utilities Fund immediately upon the sale of the property to a third party. If the anticipated sale does not take place immediately, the RDA will seek to secure a loan in order to repay the City.

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The purpose of the agreement is to establish the terms for the Agency's loan. The agreement obligates the Agency to reimburse the City for all funds advanced, plus interest. The loan will be repaid through proceeds of the sale of the property or proceeds of RDA debt issued if the property is not sold immediately. The total amount of funds borrowed plus interest must be repaid to the City no later than October 31, 2014.

FISCAL IMPACT: The Loan and Repayment Agreement has a minimal impact on the Agency's overall budget. While the debt obligation and associated commitment of repayment is significant, the Agency anticipates an immediate sale of the property and repayment of funds. The timing of these transactions and transfer of funds make it necessary to execute this agreement.

MOTION: Board Member Paul Hunt **MOVED** to adopt Resolution No. 2014-09RDA authorizing execution of a Loan and Repayment Agreement between the Redevelopment Agency of Midvale City and Midvale City. 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 Robert Hale	Aye
Board member Wayne Sharp	Aye
Board member Paul Glover	Aye
Board member Paul Hunt	Aye
Board member Wayne Sharp	Aye

The motion passed unanimously.

V. 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 8:40 p.m.

Rori L. Andreason, MMC
City Recorder

Approved this 16th day of September, 2014