



**REDEVELOPMENT AGENCY REGULAR MEETING**  
*Minutes*

**Tuesday May 05, 2015**  
**Council Chambers**  
**7505 South Holden Street**  
**Midvale, Utah 84047**

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**CHAIR:** JoAnn Seghini

**BOARD MEMBERS:** Board Member Paul Glover  
Board Member Paul Hunt  
Board Member Stephen Brown  
Board Member Quinn Sperry  
Board Member Wayne Sharp

**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; Bob Davis, Public Works Director; Chad Woolley, City Attorney; Danny Walz, Redevelopment Agency Director; Annaliese Eichelberger, RDA Coordinator; and Jarin Blackham, IT Manager.

Chair Seghini called the meeting to order at 10:00 p.m.

**I. ROLL CALL**

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

**MOTION:** Board Member Paul Glover **MOVED** to open a public hearing. Board Member Stephen Brown **SECONDED** the motion. Chair Seghini called for discussion on the motion. There being none, she called for a call vote. The motion passed unanimously.

**II. PUBLIC HEARING**

**A. CONSIDER ADOPTION OF THE FY2016 TENTATIVE BUDGET FOR THE REDEVELOPMENT AGENCY OF MIDVALE CITY**

Danny Walz said as we go through the process of adopting the Fiscal Year 2016 budgets there are several procedural steps that you as Board Members are required to take.

UCA 10-6-111(1) requires the Budget Officer to present a tentative budget for each fund within the City. The budgets must be submitted no later than the first regularly scheduled meeting in May. Staff will update the Board on the revised revenue estimates and provide a brief overview of the expenditures and highlights or program changes.

He reviewed the proposed FY2016 Redevelopment Agency budget:

**Redevelopment Agency of Midvale City Budget**  
**Project Review FY2015**

Public Art

- Installation by Fall 2015

Bingham Junction Blvd. Slopes

- Completion by Fall 2015

Bingham Junction Park Improvements

Proceedings of the Redevelopment Agency of Midvale City Meeting  
May 05, 2015

- Phasing Project; Seeking funding

**Mission Statement:**

The Purpose of the Redevelopment Agency of Midvale City is:

To improve the livability of Midvale City; to revitalize communities; to strengthen housing for new and existing residents; to promote economic growth and vitality; to facilitate implementation of the Midvale City General Plan

**Agency Goals:**

- Actively pursue redevelopment opportunities to enhance economic potential and revitalization.  
FY 2016 Action: Create new project areas.
- Utilize strategic public investment that increases the tax base and optimizes value.  
FY 2016 Action: Focus on reimbursement participation or loan programs.
- Advance attractiveness of Midvale City through rehabilitation of residential and commercial development.  
FY 2016 Action: Adopt building rehabilitation loan program.
- Improve housing opportunities and quality of life for citizens.  
FY 2016 Action: Establish City housing fund and seek partnerships

**Agency Staff:**

- Danny Walz, Redevelopment Director
- Annaliese Eichelberger, Planner/Project Coordinator
- Nicole Selman, CD/RDA Administrative Assistant

**Staff Report**

- Staff is over-performing in relation to their respective percentage of Agency salary.

**Staffing Level**

- Increasing work load. Potential for additional staff depending on impact of Main Street CDA, Housing Policy & Programs, Utah Redevelopment Association, Bingham Junction Projects & Jordan Bluffs.

**RDA OPERATIONS FY 2016**

**Salaries/Benefits**

- Includes half of Planner/Project Coordinator and Admin Asst. positions.

**Professional Services**

- Increased for legal and consulting needs.

**Administrative Fee**

- Adjusted for current ratios

**Education**

- Increased for additional staff

**BINGHAM JUNCTION FY2016**

Property Taxes

- Annual property tax increment payment

Surrounding Properties

- Annual allocation for 2015
- Property Improvement Loan Program

Developer Reimbursement

- Beginning of annual payments

Public Art Program

- Combined allocations for 2015 & 2016

Infrastructure Improvements

- Bingham Junction Slopes; 7200 So. Medians

Bingham Junction Park

- Combined allocations for 2015 and 2016 for redesign and construction of Phase I improvements
- Leverage of County funds for construction of ball field

**PROGRAM INCOME FY2016**

No changes

- Funds earmarked for Main Street property improvements or CDA study

**PROJECT AREA HOUSING FY2016**

No changes

- Consolidated funds set aside for housing within Project Area

**CITY-WIDE HOUSING FY2016**

Affordable Housing Plan

- Funds allocated for housing portion of City's Master Plan

Housing Programs

- Funds allocated for city-wide housing programs

**SERIES 2010 BOND FUND FY2016**

**Future Needs**

Consultants

- Main Street CDA – Project area creation, Planning studies
- CHG – Legal, Bond counsel & Financial analysis
- Jordan Bluffs – Environmental studies, Financial analysis, Planning studies, Legal

Staff

Proceedings of the Redevelopment Agency of Midvale City Meeting  
May 05, 2015

- Impact of project areas
- Scope of Housing programs

**BUDGET REDUCTIONS**

Revenue

- Increasing

Expenditures

- Cover debt service and administration costs
- Developer reimbursement
- Projects
- Balancing Accounts to offset changes

Reductions

- Expenditures don't exceed Revenue

**CITY GENERAL FUND IMPACT**

	2014 Taxable Value
Total Project Area Taxable Value	\$272,372,636
Multiply by City Tax Rate	0.000736
	\$ 200,466
Agency Portion	80%
	\$ 160,373
Agency Administration Fee	\$ 145,700

**Does not include:**

- Half of Planner & Admin. Assistant positions
- Project costs

Chair Seghini opened the public hearing to public comment. There was no one present who desired to speak.

**MOTION:** Board Member Stephen Brown **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 call vote. The motion passed unanimously.

**ACTION:** APPROVE RESOLUTION NO. 2015-05RDA ADOPTING THE FY2016 TENTATIVE BUDGET FOR THE REDEVELOPMENT AGENCY OF MIDVALE CITY

**MOTION:** Board Member Paul Hunt **MOVED** to approve Resolution No. 2015-05RDA adopting the FY2016 Tentative Budget for the Redevelopment Agency of 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 Paul Glover           Aye  
Board member Paul Hunt           Aye

**Board member Stephen Brown      Aye**  
**Board member Quinn Sperry      Aye**  
**Board member Wayne Sharp      Aye**

**MOTION: Board Member Stephen Brown MOVED to open the public hearing. Board Member Wayne Sharp SECONDED the motion. Chair Seghini called for discussion on the motion. There being none, she called for a call vote. The motion passed unanimously.**

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

Danny Walz said on August 5, 2014, the Board of Directors of the Redevelopment Agency adopted the Fiscal Year 2015 budget. In March the Agency received the final disbursement of tax increment which makes it necessary to adjust 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.

**FISCAL IMPACT:**

This amendment to the Fiscal Year 2015 has a minimal impact on the Agency’s overall budget. The final receipt of the Agency’s tax increment payment from the County warrants adjustment of revenue and expenditure line items.

**REDEVELOPMENT AGENCY OF MIDVALE CITY - BUDGET OPENING #1 - FY 2015**

Description	Revenue	A/C #	Expenditure	A/C #
<b>RDA Operations</b>				
Transfer from Bingham-	\$ 50,000	30-3880-000-000		
Junction Project Area Fund				
Professional fees			\$50,000	30-4101-310-000
Bingham Junction Project Area Fund				
Tax increment revenue	\$ 435,600	31-3110-000-000		
Transfer to RDA Operations Fund			\$50,000	31-4102-910-100
Contribution to Fund Balance			\$385,600	31-4102-910-000
Total	\$ 485,600		\$485,600	

**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 call vote. The motion passed unanimously.**

**ACTION: APPROVE RESOLUTION NO. 2015-06RDA AMENDING THE FY2015 BUDGET OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY**

**MOTION: Board Member Stephen Brown MOVED to adopt Resolution No. 2015-06RDA amending the FY2015 Budget for the Redevelopment Agency of Midvale City. 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 Glover      Aye**

<b>Board member Paul Hunt</b>	<b>Aye</b>
<b>Board member Stephen Brown</b>	<b>Aye</b>
<b>Board member Quinn Sperry</b>	<b>Aye</b>
<b>Board member Wayne Sharp</b>	<b>Aye</b>

**III. CONSENT AGENDA**

**A. APPROVE MINUTES OF April 14 & 21, 2015**

**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:

<b>Board member Paul Glover</b>	<b>Aye</b>
<b>Board member Paul Hunt</b>	<b>Aye</b>
<b>Board member Stephen Brown</b>	<b>Aye</b>
<b>Board member Quinn Sperry</b>	<b>Aye</b>
<b>Board member Wayne Sharp</b>	<b>Aye</b>

**IV. ACTION ITEMS**

**A. CONSIDER RESOLUTION NO. 2015-07RDA AUTHORIZING THE EXECUTION OF A TAX INCREMENT REIMBURSEMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY**

Annaliese Eichelberger said that on February 19, 2013, the Redevelopment Agency of Midvale City Board of Directors approved the creation of a program for the reimbursement of a percentage of the incremental costs associated with projects within the Bingham Junction Project Area. The overall goal of the program is to facilitate and attract development to the area that has a positive impact for Midvale City. The program was created to provide reimbursement for projects that increase tax value, provide high paying jobs, attract prominent tenants, promote green building standards or encourage good planning design.

The reimbursement agreement is separate from the master reimbursement agreement that was executed with Littleson and subsequently assigned to Mercer Bingham Junction LLC and Arbor Gardner Bingham Junction Holdings LC. It is a limited obligation payable from the tax increment of the specific project and subordinate to any prior tax increment obligations of the Agency including the debt service of current and future bonds as well as the Agency's administration costs.

The agreement details the requirements the owner must satisfy in order to receive the portion of tax increment. The attached agreement represents a commitment for reimbursement from tax increment up to an amount of \$720,000 for Phase I and \$480,000 for Phase II. The Agency will reimburse the developer through annual payments for a period of seventeen (17) years or until the costs have been paid, whichever comes first. Over the course of the agreement, the owner must continue to meet the requirements for reimbursement. If not, the Agency has the option to reduce the reimbursement payment.

The reimbursement agreement has been prepared by Tom Berggren of Jones Waldo and has been reviewed by legal counsel for Savage Companies.

**FISCAL IMPACT:**

The reimbursement agreement will be subordinate to the Agency's existing obligations. Future payments will be allocated within future budgets as funds are available. The Owner is responsible for paying the initial costs of the project and the reimbursement is limited by the amount of tax increment generated from the property.

**MOTION:** Board Quinn Sperry Sharp **MOVED** to approve Resolution No. 2015-07RDA authorizing the execution of a Tax Increment Reimbursement Agreement between the Redevelopment

**Agency of Midvale City and Savage Companies. 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:**

<b>Board member Paul Glover</b>	<b>Aye</b>
<b>Board member Paul Hunt</b>	<b>Aye</b>
<b>Board member Stephen Brown</b>	<b>Aye</b>
<b>Board member Quinn Sperry</b>	<b>Aye</b>
<b>Board member Wayne Sharp</b>	<b>Aye</b>

**V. DISCUSSION ITEMS**

**A. DISCUSSION ON REIMBURSEMENT AGREEMENT WITH RIVERWALK INVESTMENTS II, LLC**

Danny Walz discussed the details of the Reimbursement Agreement with Riverwalk Investments II, LLC. He reviewed the terms of the agreement as follows:

**PROJECT:** The proposed project encompasses 12.65 acres and includes a 65,000 square foot three story building, and 4.7 acre 240 foot long driving range.

**PURPOSE:** Reimburse Owner for a portion of the construction and site costs from the Tax Increment from the development.

**OWNER REQUIREMENTS:** Owner shall submit for Agency approval, the plans and specifications for the development. Owner shall construct the development in accordance with the plans and specifications. The cost of construction of the development shall be borne solely by the Owner.

**CONDITIONS FOR**

**REIMBURSEMENT:** The Agency will reimburse Owner for a portion of the construction and site costs solely from the Tax Increment from the development. Agency has no obligation to reimburse Owner except from Tax Increment generated by the property tax values of the development and excluding any personal property tax value. The Tax Increment available to reimburse Owner (“Owner Tax Increment Share”) is defined as 75% of the portion of the Tax Increment that is generated from the development that is paid to the Agency (which is 80% of the Tax Increment) after deduction of all previously committed reimbursement obligations from the Tax Increment. The total amount of Reimbursement Cap is Six Hundred and Fifty Thousand (\$650,000) Dollars.

Owner shall deliver to the Agency each year a copy of the applicable property tax notice as well as proof of payment of the property taxes for the property. Owner shall not protest or appeal any property taxes unless Owner notifies Agency in advance.

Development continues to provide a regional entertainment draw to the Bingham Junction area and Midvale City as a whole.

**PROPERTY BASE TAXABLE \$4,011,544 (2014 taxable value)  
VALUE:**

**DISBURSEMENT OF INCREMENT:** Provided that the all of the conditions have been satisfied by Owner, Agency shall make each annual payment by the later of (a) March 31 following the applicable tax year or (b) thirty (30) days following Agency’s receipt of Tax Increment from Salt Lake County.

**REIMBURSEMENT TERM:** The Reimbursement Term shall mean tax years 2016 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.

**REDUCTION IN PAYMENT:** In the event that some but not all of the Owner Improvements Requirements 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, and (ii) pre-existing reimbursement obligations; (iii) Agency's administration costs; (iv) payment to the City for any outstanding Owner fees or Owner costs associated with the Owner Improvements.

**ASSIGNMENT AND TRANSFER:** Owner shall not assign or transfer any obligations or rights to the Agreement without the prior written approval of the Agency.

**CITY APPROVALS:** Owners are responsible for obtaining required City approvals and Building Permits.

**INDEMNITY:** Owners shall indemnify both the Agency and the City from any action or claim caused by the acts of the Owners as further provided in the Agreement.

**PREPAYMENT:** Agency may elect at any time to prepay all or any portion of the reimbursement without consent of the Owner.

**MISCELLANEOUS:** Such other terms and conditions as recommended by Agency's or negotiated with Owner's legal counsel.

## **VI. ADJOURN**

**MOTION:** Board Member Wayne Sharp **MOVED** to adjourn. Board Member Stephen Brown **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 10:23 p.m.

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**Rori L. Andreason, MMC**  
**City Recorder**

Approved this 16<sup>th</sup> day of June, 2015