

REQUEST FOR COUNCIL ACTION

SUBJECT: Approval of a loan to the Redevelopment Agency for acquisition of property located at approximately 9204 S 5600 West.

SUMMARY: Approve Resolution No. 15-227 authorizing a loan of \$4.5 M from the General Fund to the RDA.

FISCAL

IMPACT: The City will provide an initial loan of \$4.5 M to the redevelopment agency, which will be repaid utilizing tax increment revenue.

STAFF RECOMMENDATION:

Staff recommends approval of a resolution authorizing the loan of \$4.5 M to the RDA.

MOTION RECOMMENDED:

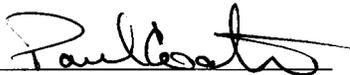
"I move to approve Resolution # 15-227 authorizing the loan of \$4,500,000 from the General Fund to the Redevelopment Agency of West Jordan for the acquisition of property located at 9204 S and 5600 West."

Roll Call vote required

Prepared by:


Jeremy Olsen
Economic and Development Assistance
Supervisor

Reviewed by:


Paul Coates
Economic and Development Assistance
Manager

Endorsed by:


David Oka
Community and Economic and Dev.
Director

Recommended by:


Mark Palesh
City Manager

BACKGROUND DISCUSSION:

City Staff have been in negotiations with potential businesses and property owners regarding the development of a regional shopping center in the area bounded by intersections on 9000 South at 5600 West and Mountain View Corridor in order to build the City's economic base, bring additional employment opportunities to the City, and provide services to an underserved market.

Discussions with the owner of the property located at 9204 S 5600 West, Jordan Star LLC, have advanced, and Jordan Star LLC has offered to sell a 19.4 acre parcel to the RDA in order to expedite the development of the area.

It was determined that Jordan Star LLC would retain the property located at approximately 9102 S 5600 West for use as pad sites, and the RDA would acquire the remaining 19.4 acres for \$4.5 M, which the seller has requested to be finalized by the end of the current calendar year.

In order to expedite the purchase process to meet the seller's timelines, it is proposed that the City loan \$4.5 M, from the general fund to the Agency for the acquisition of the Jordan Star property. These funds would be repaid using tax increment funds generated by the proposed Community Development Project Area #2 – Jordan Hills Marketplace.

The terms and conditions regarding this require the loan amount of \$4.5 M to be repaid to the City before December 31, 2030, with no prepayment penalty (see attached Promissory Note).

4770 S. 5600 W.
WEST VALLEY CITY, UTAH 84118
FED.TAX I.D.# 87-0217663
801-204-6910

Deseret News



The Salt Lake Tribune

PROOF OF PUBLICATION CUSTOMER'S COPY

CUSTOMER NAME AND ADDRESS

CITY OF WEST JORDAN,
MELANIE BRIGGS
ATTN: MELANIE BRIGGS
8000 S. REDWOOD RD.
WEST JORDAN, UT 84088

ACCOUNT NUMBER

9001403739

DATE

11/30/2015

ACCOUNT NAME

CITY OF WEST JORDAN,

TELEPHONE

8015695115

ORDER # / INVOICE NUMBER

0001063173 /

PUBLICATION SCHEDULE

START 11/29/2015 END 11/29/2015

CUSTOMER REFERENCE NUMBER

CC PH 12/16

CAPTION

THE CITY OF WEST JORDAN, UTAH NOTICE OF PUBLIC HEARING The City of We:

SIZE

44 LINES 1 COLUMN(S)

TIMES

2

TOTAL COST

60.00

THE CITY OF WEST JORDAN, UTAH NOTICE OF PUBLIC HEARING
The City of West Jordan City Council will hold a public hearing Wednesday, December 16, 2015, at 6:00 p.m. at West Jordan City Hall 8000 South Redwood Road, 3rd Floor, Council Chambers, to receive public comments prior to consideration and approval pursuant to Utah Code §17C-1-207 of the City's intent to make an unsecured loan to the Re-development Agency of West Jordan City in the amount of approximately \$4,500,000 for purposes of facilitating development within the City. All interested parties are invited to attend. More information at www.wjordan.com or you can email questions to info@wjordan.com. Copies of the City Council agenda packet for the items listed below will be available at the City offices or on the City Council Agenda webpage the Friday prior to the meeting.
Published this 29th day of November 2015
Melanie S Briggs, MMC
City Clerk
1063173 UPAXLP

AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY COMPANY, LLC dba UTAH MEDIA GROUP LEGAL BOOKER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF **THE CITY OF WEST JORDAN, UTAH NOTICE OF PUBLIC HEARING** The City of West Jordan City Council will hold a public hearing Wednesday, December 16, 2015, at 6:00 FOR CITY OF WEST JORDAN, WAS PUBLISHED BY THE NEWSPAPER AGENCY COMPANY, LLC dba UTAH MEDIA GROUP, AGENT FOR DESERET NEWS AND THE SALT LAKE TRIBUNE, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH. NOTICE IS ALSO POSTED ON UTAHLEGALS.COM ON THE SAME DAY AS THE FIRST NEWSPAPER PUBLICATION DATE AND REMAINS ON UTAHLEGALS.COM INDEFINATELY. COMPLIES WITH UTAH DIGITAL SIGNATURE ACT UTAH CODE 46-2-101; 46-3-104.

PUBLISHED ON Start 11/29/2015 End 11/29/2015

DATE 11/30/2015

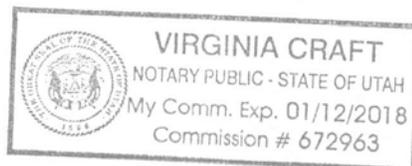
SIGNATURE *Ann Dartnell*

STATE OF UTAH)

COUNTY OF SALT LAKE)

SUBSCRIBED AND SWORN TO BEFORE ME ON THIS 30TH DAY OF NOVEMBER IN THE YEAR 2015

BY ANN DARTNELL



Virginia Craft
NOTARY PUBLIC SIGNATURE



Melanie S. Briggs, MMC
City Clerk

8000 South Redwood Road
West Jordan, Utah 84088
(801) 569-5117
Fax (801) 563-4716

THE CITY OF WEST JORDAN, UTAH
NOTICE OF PUBLIC HEARING

The City of West Jordan City Council will hold a public hearing Wednesday, December 16, 2015, at 6:00 p.m. at West Jordan City Hall 8000 South Redwood Road, 3rd Floor, Council Chambers, to receive public comments prior to consideration and approval pursuant to Utah Code §17C-1-207 of the City's intent to make an unsecured loan to the Redevelopment Agency of West Jordan City in the amount of approximately \$4,500,000 for purposes of facilitating development within the City. All interested parties are invited to attend. More information at www.wjordan.com or you can email questions to info@wjordan. Copies of the City Council agenda packet for the items listed below will be available at the City offices or on the City Council Agenda webpage the Friday prior to the meeting.

Published this 29th day of November 2015
Melanie S Briggs, MMC
City Clerk

THE CITY OF WEST JORDAN, UTAH
A Municipal Corporation

RESOLUTION NO. 15-227

A RESOLUTION AUTHORIZING A LOAN TO THE REDEVELOPMENT AGENCY OF
WEST JORDAN CITY IN THE AMOUNT OF \$4,500,000 PLUS INCIDENTAL CLOSING
COSTS

WHEREAS, the City of West Jordan (the “City”) has created the Redevelopment Agency of West Jordan City (the “Agency”) and the Agency continues to operate pursuant to Utah Code Ann. § 17C-1-101 et seq., the Limited Purpose Local Government Entities -- Community Development and Renewal Agencies Act (the “Act”); and

WHEREAS, the Agency is authorized to provide for urban renewal, economic development, and community development and carry out the purposes of the Act as described therein; and

WHEREAS, the City is authorized to lend, grant, or contribute funds to an agency for an urban renewal, economic development, or community development project and provide for other assistance to the Agency as set forth in Utah Code § 17C-1-207; and

WHEREAS, the Agency is authorized to accept financial or other assistance from any public or private source for the agency's activities, powers, and duties, and expend any funds so received for any of the purposes of the Act; and

WHEREAS, the Agency is authorized to borrow money and accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of the Act and comply with any conditions of the loan or assistance; and

WHEREAS, the City desires to make a loan to the Agency to facilitate development within the City and within a proposed community development project area to be established by the Agency.

NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF WEST JORDAN, UTAH, THAT:

- Section 1. The City finds that making of the Loan to the Agency is in the best interests of the City and its residents.

- Section 2. Upon execution of a promissory note in substantially the form as attached hereto as **Exhibit A**, or another form acceptable to the City, the City shall make a loan to the Agency in the amount of \$4,500,000 plus incidental closing costs (the “Loan”).

Section 3. The Loan shall accrue interest at the rate of zero percent (0%) per annum, shall be executed by December 31, 2015 and shall have no penalty for prepayment.

Section 4. City staff are authorized to take such actions as may be necessary to accomplish the purposes of this Resolution.

Section 5. This Resolution shall take effect immediately upon adoption.

Adopted by the City Council of West Jordan, Utah this 16th day of December, 2015.

Kim V. Rolfe
Mayor

ATTEST:

MELANIE S. BRIGGS
City Recorder

Voting by the City Council

Board Member Chris McConnehey
Board Member Judy Hansen
Board Member Ben Southworth
Board Member Sophie Rice
Board Member Jeff Haaga
Board Member Chad Nichols
Chair Kim Rolfe

“AYE”

“NAY”

EXHIBIT A
Form of Promissory Note

\$ 4,500,000

December 16th, 2015

CITY OF WEST JORDAN UNSECURED PROMISSORY NOTE

FOR VALUE RECEIVED, this Unsecured Promissory Note is dated as of December 16th, 2015 (“**Promissory Note**”) and evidences an indebtedness of the Redevelopment Agency of the City of West Jordan (“**Maker**”) to the City of West Jordan, Utah (“**Holder**”). For value received, Maker hereby promises to pay to the order of Holder, at such address as Holder shall designate, the amount of Four Million Five Hundred Thousand (\$4,500,000) (“**Loan Amount**”), with interest, in accordance with the terms of this Promissory Note.

1. **Unsecured Obligation.** The Maker’s obligations under this Promissory Note are not secured by any instrument encumbering any property or asset of Maker.
2. **Repayment of Promissory Note.** Maker shall pay to the order of Holder the Loan Amount, with interest accruing at the rate of zero percent (0%) per annum, as follows:
 - 2.1 **Maturity Date.** Maker promises to pay to the order of Holder the Loan Amount no later than December 31, 2030. (“**Maturity Date**”).
 - 2.2 **Payment.** All payments due hereunder are payable in lawful money of the United States in same day funds. The Loan Amount may be prepaid, in whole or in part, at any time and from time to time without penalty or premium.
 - 2.3 **Acceleration.** The entire unpaid balance of the Loan Amount shall be due and payable, prior to the Maturity Date upon Maker’s material breach any of the obligations of this Promissory Note.
 - 2.4 **Priority.** Maker’s obligation to pay the unpaid principal balance of the Loan Amount shall be limited to the available funds of Maker which are not otherwise encumbered as of the Maturity Date.
3. **Assignment.** Holder shall have no power to transfer or assign its right to receive any payment under this Promissory Note, unless Maker has first granted written approval to Holder for such a proposed assignment, in the Maker’s sole and absolute discretion.
4. **Severability.** The unenforceability or invalidity of any provision or provisions of this Promissory Note as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other person or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.
5. **Governing Law.** The validity, interpretation and performance of this Promissory Note

shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of laws principles.

6. **Jurisdiction and Venue.** The Holder and the Maker acknowledge and stipulate that the obligation hereunder was entered into in the County of Salt Lake, Utah. Any legal action or proceeding to interpret, enforce, or which in any way arises out of this Promissory Note shall be instituted and prosecuted in the appropriate court in the County of Salt Lake, Utah. Holder and Maker expressly waive, to the maximum legal extent, any legal right either Party may have to have such action or proceeding transferred to or prosecuted in any other court or jurisdiction.

7. **Amendments and Modifications.** This Promissory Note may be amended or modified only in writing signed by the Holder and the Maker.

8. **Time of the Essence.** Time is of the essence of this Promissory Note.

[Signatures on Following Page]

SIGNATURE PAGE TO
CITY OF WEST JORDAN UNSECURED PROMISSORY NOTE

MAKER:
REDEVELOPMENT AGENCY OF
THE CITY OF WEST JORDAN

Kim Rolfe, Chairperson

ATTEST:

Melanie Briggs, City Clerk

APPROVED AS TO LEGAL FORM:

J. Craig Smith, Attorney for the Redevelopment
Agency of the City of West Jordan