



Midvale City  
7505 South Holden Street  
Midvale, UT 84047  
801-567-7200  
[www.midvalecity.org](http://www.midvalecity.org)

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**THE REDEVELOPMENT AGENCY OF MIDVALE CITY  
MEETING AGENDA  
February 16, 2016**

**PUBLIC NOTICE IS HEREBY GIVEN** that the **Redevelopment Agency of Midvale City** will hold a regular meeting on the **16th Day of February, 2016** at Midvale City Hall, 7505 South Holden Street, Midvale, Utah as follows:

**7:00 p.m. – Or Immediately Following the City Council Meeting**

**REGULAR MEETING**

**I. GENERAL BUSINESS**

A. Roll Call

**II. CONSENT AGENDA**

A. Approve minutes of December 15, 2015 [*Rori Andreason, H.R. Director/City Recorder*]

**III. DISCUSSION ITEMS**

A. Discuss CHG Legal Documents [*Danny Walz, Redevelopment Agency Director*]

**IV. ADJOURN**

In accordance with the Americans with Disabilities Act, Midvale City will make reasonable accommodations for participation in the meeting. Request assistance by contacting the City Recorder at 801-567-7207, providing at least three working days advance notice of the meeting. TTY 711

A copy of the foregoing agenda was provided to the news media by email and/or fax; the agenda was posted in the City Hall Lobby, the 2<sup>nd</sup> Floor City Hall Lobby, on the City's website at [www.midvalecity.org](http://www.midvalecity.org) and the State Public Notice Website at <http://pmn.utah.gov>. Board Members may participate in the meeting via electronic communications. Board Members' participation via electronic communication will be broadcast and amplified so other Board Members and all other persons present in the Council Chambers will be able to hear or see the communication.

**PLEASE MAKE SURE ALL CELL PHONES ARE TURNED OFF DURING THE MEETING**

Date Posted: February 12, 2016

**RORI L. ANDREASON, MMC  
H.R. DIRECTOR/CITY RECORDER**



## REDEVELOPMENT AGENCY REGULAR MEETING

### *Minutes*

**Tuesday February 16, 2016**  
**Council Chambers**  
**7505 South Holden Street**  
**Midvale, Utah 84047**

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**CHAIR:** JoAnn Seghini

**BOARD MEMBERS:** Board Member Paul Glover - Excused  
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; Lisa Garner, City Attorney; Bob Davis, Public Works Director; Danny Walz, Redevelopment Agency Director; and Matt Pierce, Systems Administrator.

Mayor Seghini called the meeting to order at 8:51 p.m.

### **I. ROLL CALL**

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

### **II. CONSENT AGENDA**

#### **A. APPROVE MINUTES OF DECEMBER 15, 2015**

**MOTION:** Board Member Paul Hunt **MOVED** to approve the Consent Agenda. Board Member Quinn Sperry **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	Absent
Board member Paul Hunt	Aye
Board member Stephen Brown	Aye
Board member Quinn Sperry	Aye
Board member Wayne Sharp	Aye

### **III. DISCUSSION ITEMS:**

#### **A. DISCUSS CHG LEGAL DOCUMENTS**

Danny Walz discussed the following six agreements with regarding the CHG development:

- Parking Structure Construction and Financing Agreement
- Ground Lease Agreement

Proceedings of the Redevelopment Agency Meeting  
February 16, 2016

- Sublease Agreement
- Assignment of Development and Reimbursement Agreement
- Subordination, Nondisturbance and Attornment Agreement
- Protective Covenants, Conditions and Restrictions

The parties involved are:

- Redevelopment Agency of Midvale City, Utah
- Arbor Gardner Bingham Junction Office 3, L.C.
- U.S. Bank National Association

The proposed project encompasses 14.31 acres and includes two phases. Phase I will include a minimum of 282,000 square foot office building and 1,225 stall parking structure ("Project"). Phase II anticipates construction of an additional minimum 100,000 square foot office building and 800 stall parking structure in the future.

The purpose includes:

1. Provide financing to Owner from the proceeds of Agency's Series 2015 Subordinated Tax Increment Revenue Bonds for the construction costs of the parking structure as part of the Project.
2. Define the terms and conditions for leasing and management of parking structure for the benefit and use of the Project.

**Project Requirements:** Owner shall submit for Agency approval the plans and specifications for the Project. Owner shall construct the Project in accordance with the approved plans and specifications and the Development Agreement with the City. The cost of construction of the Project shall be initially borne by Owner with the Owner periodically obtaining reimbursement for such costs in the form of reimbursement payments. The Agency shall approve the budget for the construction of the parking structure.

**Conditions for Reimbursement:** Prior to receiving reimbursement, Owner shall provide written evidence that the Project satisfies all of the conditions specified in the agreements, including without limitation the following:

1. The Project shall be constructed as specified in the Agency agreements and the Development Agreement with Midvale City.
2. The Owner shall secure financing for construction of the Project.
3. The Owner and the Agency shall enter into the Ground Lease and Sublease along with associated legal agreements. The Owner shall also provide a conditional assignment of the Owner's contracts with their contractor and architect in favor of the Agency.
4. The Agency shall have received an executed Parent Guaranty with respect to the Owner's payment obligations related to the agreements.

**Assessed Value and Tax Increment:**

The Project shall be completed by December 31, 2016 and have a minimum assessed value of \$80 million starting with the 2017 Tax Year. In the event that the tax increment generated by the Project is less than the increment anticipated from the minimum assessed value then the Owner shall pay to the Agency an amount equal to the shortage. This requirement shall remain in effect

the first ten years after completion of the Project.

**Funding and Reimbursement Cap:**

Provided that Owner satisfies all of the specified conditions, Agency will reimburse Owner for the construction costs related to the parking structure from the Agency bond proceeds in an amount not to exceed Eleven Million One Hundred Sixty Four Thousand Dollars (11,164,000).

Owner is responsible for any shortage between the bond proceeds and the actual construction costs for the parking structure.

**Lease Terms:**

The term of the Ground Lease shall be for a period of fifty (50) years. Under the terms of the Ground Lease and Sublease, the Owner is responsible to pay for all insurance, taxes, utilities, repairs, maintenance and other costs related to the parking structure. The Agency shall not interfere with the Owner's use and maintenance of the structure.

**Subordination:**

The Ground Lease is subordinate to any mortgage, deed of trust or other security interest placed on Owner's interest and such subordination is subject to a Subordination, Nondisturbance and Attornment Agreement as reasonably approved by the Agency.

**Purchase:** Owner may elect at any time to purchase the parking structure from the Agency. Upon expiration of the lease term, Owner shall be obligated to purchase the parking structure. The purchase price for the improvements shall be fair market value as provided within the agreement.

**Assignment and Transfer:**

With the exception of the Assignment of Development and Reimbursement Agreement, Owner shall not assign or transfer any obligations or rights to the agreements except as permitted under the agreements. In the event of a foreclosure by the Mortgagee, the Ground Lease shall remain in effect with the new owner and the Agency shall enter into a new Sublease with the new owner. Under the terms of the Assignment, the Mortgagee may exercise the option to complete construction of the parking structure as provided in the agreements.

**Agency Take Over:**

Subject to the rights of the Owner's Mortgagee, Agency shall have the option to take over the completion of the parking structure under the construction contract and architect agreement.

**City Approvals:**

Owner is responsible for obtaining required City approvals and building permits.

**Indemnity:**

Owner shall indemnify both Agency and the City as provided in the agreements.

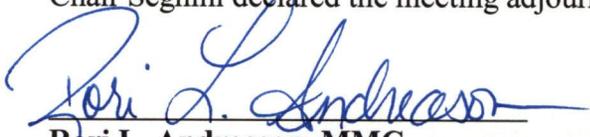
**Miscellaneous:**

Such other terms and conditions as may be agreed to by the parties.

**III. 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 9:13 p.m.



**Rori L. Andreason, MMC**  
**H.R. Director/City Recorder**

Approved this 15<sup>th</sup> day of March, 2016



**TERM SHEET FOR THE FINANCING AND  
MANAGEMENT OF A PARKING STRUCTURE WITH  
ARBOR GARDNER BINGHAM JUNCTION OFFICE 3, L.C.**

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- AGREEMENTS:**
1. Parking Structure Construction and Financing Agreement (Agency)
  2. Ground Lease Agreement (Agency)
  3. Sublease Agreement (Agency)
  4. Assignment of Development and Reimbursement Agreement (Mortgagee)
  5. Subordination, Nondisturbance and Attornment Agreement (Mortgagee)
  6. Protective Covenants, Conditions and Restrictions (Owner)
- PARTIES:**
- Redevelopment Agency of Midvale City, Utah ("Agency"), Arbor Gardner Bingham Junction Office 3, L.C. ("Owner") U.S. Bank National Association ("Mortgagee").
- PROJECT:**
- The proposed project encompasses 14.31 acres and includes two phases. Phase I will include a minimum of 282,000 square foot office building and 1,225 stall parking structure ("Project"). Phase II anticipates construction of an additional minimum 100,000 square foot office building and 800 stall parking structure in the future.
- PURPOSE:**
1. Provide financing to Owner from the proceeds of Agency's Series 2015 Subordinated Tax Increment Revenue Bonds for the construction costs of the parking structure as part of the Project.
  2. Define the terms and conditions for leasing and management of parking structure for the benefit and use of the Project.
- PROJECT REQUIREMENTS:**
- Owner shall submit for Agency approval the plans and specifications for the Project. Owner shall construct the Project in accordance with the approved plans and specifications and the Development Agreement with the City. The cost of construction of the Project shall be initially borne by Owner with the Owner periodically obtaining reimbursement for such costs in the form of reimbursement payments. The Agency shall approve the budget for the construction of the parking structure.
- CONDITIONS FOR REIMBURSEMENT:**
- Prior to receiving reimbursement, Owner shall provide written evidence that the Project satisfies all of the conditions specified in the agreements, including without limitation the following:
1. The Project shall be constructed as specified in the Agency agreements and the Development Agreement with Midvale City.
  2. The Owner shall secure financing for construction of the Project.

3. The Owner and the Agency shall enter into the Ground Lease and Sublease along with associated legal agreements. The Owner shall also provide a conditional assignment of the Owner's contracts with their contractor and architect in favor of the Agency.
4. The Agency shall have received an executed Parent Guaranty with respect to the Owner's payment obligations related to the agreements.

**ASSESSED VALUE AND  
TAX INCREMENT:**

The Project shall be completed by December 31, 2016 and have a minimum assessed value of \$80 million starting with the 2017 Tax Year. In the event that the tax increment generated by the Project is less than the increment anticipated from the minimum assessed value then the Owner shall pay to the Agency an amount equal to the shortage. This requirement shall remain in effect for the first ten years after completion of the Project.

**FUNDING AND  
REIMBURSEMENT CAP:**

Provided that Owner satisfies all of the specified conditions, Agency will reimburse Owner for the construction costs related to the parking structure from the Agency bond proceeds in an amount not to exceed Eleven Million One Hundred Sixty Four Thousand Dollars (\$11,164,000).

Owner is responsible for any shortage between the bond proceeds and the actual construction costs for the parking structure.

**LEASE TERMS:**

The term of the Ground Lease shall be for a period of fifty (50) years. Under the terms of the Ground Lease and Sublease, the Owner is responsible to pay for all insurance, taxes, utilities, repairs, maintenance and other costs related to the parking structure. The Agency shall not interfere with the Owner's use and maintenance of the structure.

**SUBORDINATION:**

The Ground Lease is subordinate to any mortgage, deed of trust or other security interest placed on Owner's interest and such subordination is subject to a Subordination, Nondisturbance and Attornment Agreement as reasonably approved by the Agency.

**PURCHASE:**

Owner may elect at any time to purchase the parking structure from the Agency. Upon expiration of the lease term, Owner shall be obligated to purchase the parking structure. The purchase price for the improvements shall be fair market value as provided within the agreement.

**ASSIGNMENT  
AND TRANSFER:**

With the exception of the Assignment of Development and Reimbursement Agreement, Owner shall not assign or transfer any obligations or rights to the agreements except as permitted under the agreements. In the event of a foreclosure by the Mortgagee, the Ground Lease shall remain in effect with the new owner and the Agency shall enter into a new Sublease with the new owner. Under the terms of the Assignment, the Mortgagee may exercise the option to complete construction of the parking structure as provided in the agreements.

**AGENCY TAKE OVER:**

Subject to the rights of the Owner's Mortgagee, Agency shall have the option to take over the completion of the parking structure under the construction contract and architect agreement.

**CITY APPROVALS:**

Owner is responsible for obtaining required City approvals and building permits.

**INDEMNITY:**

Owner shall indemnify both Agency and the City as provided in the agreements.

**MISCELLANEOUS:**

Such other terms and conditions as may be agreed to by the parties.

**THIS DRAFT TERM SHEET IS PROVIDED FOR DISCUSSION BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND DOES NOT CONSTITUTE ALL OF THE TERMS AND CONDITIONS OF THE RELATED AGREEMENTS OR THOSE RECOMMENDED BY AGENCY LEGAL COUNSEL.**