

REDEVELOPMENT AGENCY OF BOUNTIFUL CITY

Tuesday, June 14, 2016

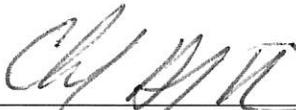
8:00 p.m. (Time approximate after the City Council meeting)

NOTICE IS HEREBY GIVEN that the Board of Directors of the Bountiful City Redevelopment Agency will hold a meeting at Bountiful City Hall, 790 South 100 East, Bountiful, Utah, at the time and date given above. The public is invited to attend. Persons who require special accommodations should contact Shawna Andrus, Executive Assistant, at 801.298.6140, at least 24 hours prior to the meeting.

If you are not on the agenda, the Board of Directors will not discuss your item of business until a subsequent meeting. If you wish to have an item placed on the agenda, contact the Redevelopment Agency Director at 801.298.6190, at least 7 days before the scheduled meeting.

AGENDA

1. Welcome
2. Consider approval of minutes for May 10, 2016.
3. **PUBLIC HEARING:** Consider approval of Resolution 2016-02; FY 2016 Amended RDA Budget and proposed FY 2017 RDA Budget.
4. RDA Director's report and miscellaneous business.



Chad Wilkinson, RDA Director

Pending minutes have not yet been approved by the Redevelopment Agency Committee and are subject to change until final approval has been made.

BOUNTIFUL REDEVELOPMENT AGENCY

Meeting Minutes of: Tuesday, May 10, 2016

Location: City Council Chambers, Bountiful City Hall, 790 South 100 East, Bountiful, Utah

Present: Chairman – Randy Lewis; Board Members – John Marc Knight, Richard Higginson, Kendalyn Harris, John Pitt, Beth Holbrook; Redevelopment Director – Chad Wilkinson; City Manager – Gary Hill; City Attorney – Russell Mahan; City Engineer – Paul Rowland

Welcome

1. Chairman Randy Lewis opened the meeting at 8:17 p.m. and welcomed those in attendance.

Agenda Items

2. **Consider approval of minutes for January 12, 2016.**

Ms. Holbrook made a motion to approve the minutes for January 12, 2016. Mr. Higginson seconded the motion.

A Mr. Lewis
A Ms. Harris
A Mr. Higginson
A Ms. Holbrook
A Ms. Knight
A Mr. Pitt

Motion passed 6-0.

3. **Consider Approval of a Subordination of the Historic Bountiful Theater Loan, Sean Monson, Applicant**

Redevelopment Director Chad Wilkinson presented a summary of the staff report (the full staff report follows).

Mr. Sean Monson, representing the Creative Arts Academy and Bountiful Historic Theater, requests a loan subordination to the existing loan for the Creative Arts Academy building at 165 South Main Street. The RDA approved a loan for \$600,000 dollars in 2011. The

applicant currently has an outstanding balance on the loan of \$376,479 dollars. The current loan is secured by a trust deed on two properties addressed 165 and 185 South Main Street. The county assessed value for the property at 185 South Main Street is \$1,107,709.00 and the county assessed value for the property located at 165 South Main Street is \$615,000.00. The total assessed value of the buildings is \$1,722,709.00.

The applicant wishes to refinance an existing commercial loan on the properties in order to payoff existing loans and pay for repairs to the roof and to complete seismic upgrades to the building at 165 South Main. The refinanced commercial loan would be total approximately \$681,000 dollars. After the refinance, the total amount of debt on the properties (including the new commercial loan and the subordinated RDA loan) will total \$1,057,479.00, which provides a 61% loan to value ratio (based on the county assessed value).

The RDA staff has reviewed this request and recommends that the loan to value ratio after the subordination is acceptable. The applicant is current on the existing loan and has an established history of paying off RDA loans in accordance with established terms. Furthermore, the additional funds would be used exclusively for an eligible project on Main Street, and will provide future tax increment revenue.

Recommended Action

Approve the requested loan subordination, as proposed.

Mr. Higginson inquired regarding the standard goal for loan to value ratio. Mr. Wilkinson answered that the maximum goal is to be within 75% of the loan to value ratio. Mr. Wilkinson further noted that the loan subordination in this case is very reasonable and is a good investment by the RDA.

Mr. Knight made a motion for approval of a Subordination of the Historic Bountiful Theater Loan, Sean Monson, applicant. Mr. Higginson seconded the motion. Mr. Pitt expressed thanks to Mr. Monson for operating businesses which add a lot to downtown Bountiful. Mr. Monson, likewise, expressed his thanks to the City.

 A Mr. Lewis
 A Ms. Harris
 A Mr. Higginson
 A Ms. Holbrook
 A Ms. Knight
 A Mr. Pitt

Motion passed 6-0.

4. Consider Adoption of Tentative RDA Budget for Fiscal Year 2016-17.

Mr. Wilkinson pointed out that this agenda item had previously been discussed and presented at the City Council meeting, but he desired to point out two things regarding the budget: (1)

The item designated “as negotiated with the Taxing Entity Committee” – committee members will notice there is a substantial reduction in the RDA budget when compared to prior years. This was to be expected, and there has been a reduction in RDA revenues of approximately \$460,000 for the next year. It is anticipated that the revenue amount will increase as the values in the area increase because of the investments the RDA will make with those monies. (2) Part of the negotiations with the Taxing Entity Committee involved a reduction in administrative costs, and that is reflected in the proposed budget. There is a 5% cap for administrative fees. Those changes are being phased in, and it will take a while to get to the 5% as the changes are a fairly drastic alteration to the budget. Staff is recommending adoption of the tentative RDA Budget for Fiscal Year 2016-17 and to set the public hearing date for June 14, 2016.

Ms. Holbrook made a motion to consider adoption of the tentative RDA Budget for Fiscal Year 2016-17. Mr. Higginson seconded the motion and highlighted the public hearing date to be set for June 14, 2016. Mr. Knight acknowledged reductions in the RDA budget but pointed out that the RDA extension was a major accomplishment and thanked Mr. Wilkinson for his efforts.

A Mr. Lewis
A Ms. Harris
A Mr. Higginson
A Ms. Holbrook
A Ms. Knight
A Mr. Pitt

Motion passed 6-0.

5. RDA Director’s report and miscellaneous business.

Mr. Wilkinson announced the 2nd Annual Bountiful City Business Symposium to be held on Wednesday, May 11, 2016 and spotlighted speakers for that event. He noted that every business owner in Bountiful received an invitation to the event.

Adjourn

Chairman Lewis ascertained there were no other items to discuss. The meeting was adjourned at 8:26 p.m.

Chad Wilkinson, Redevelopment Director

RDA Staff Report

Subject: Adoption of 2016 Amended and 2017 RDA Budget
Author: Chad Wilkinson, RDA Director
Department: Redevelopment Agency
Date: June 14, 2016



Background

Each year the Redevelopment Agency (RDA) Board of Bountiful City must adopt a budget for the upcoming fiscal year. The Board may also adopt an amended budget if necessary.

Staff has prepared an amended budget for FY 2016 and a final budget for FY 2017 for the Redevelopment Agency of Bountiful City.

Analysis

The RDA budget includes two funds:

- Fund 72 – Loan Program
- Fund 73 – Administration and Operations

Fund 72 - The Loan Fund administers the city's revolving loan program. Revenues for the fund include principle and interest payments from loans and transfers from fund balance. Expenditures are almost exclusively in the form of new loans. Since this fund has adequate balance to cover loans for the coming year, no new funds are budgeted for Fund 72 this year.

Fund 73 – The Administration and Operations Fund is used to administer the RDA programs and projects. Revenues are primarily from tax increment. This year's budget anticipates collecting roughly \$1,164,022 dollars in new tax increment. The remainder of the revenue is from interest earnings and fund balance. Projected revenues reflect the reduction to the City share of tax increment that was negotiated with the Taxing Entity Committee (TEC) as part of the RDA extension process.

Notably, debt repayment for the Renaissance Town Center parking structure was completed in the last budget year. Expenditures in this fund include personnel, operating costs (materials, supplies, and services) and special projects. A total of \$3 million dollars has been budgeted for special projects for the coming year with revenues coming from a combination of Undesignated Fund Balance and new tax increment revenues. Special projects budgeted for next year include funding for the downtown plaza and professional services associated with the project. A reduction in administrative funding for the area is reflected in the budget as negotiated with the TEC.

Department Review

The budget has been reviewed by the RDA Director and the City Manager.

Significant Impacts

None

Recommendation

The RDA Board should adopt Resolution 2016-02 approving the 2017 Budget.

**RESOLUTION OF THE BOUNTIFUL REDEVELOPMENT AGENCY
AMENDING THE 2015-2016 BUDGET AND
APPROVING THE 2016-2017 FISCAL YEAR BUDGET**

WHEREAS, the Bountiful Redevelopment Agency has held a public hearing on the 14th day of June, 2016; and

WHEREAS, the Bountiful Redevelopment Agency has caused a notice of Public Hearing to be published in the Davis County Clipper, a newspaper of general circulation, on the 2nd day of June, 2016, a period greater than one week in advance of the public hearing date; and

WHEREAS, the Bountiful Redevelopment Agency has caused a copy of the proposed budget document to be available for public inspection during regular hours in the office of the Bountiful Redevelopment Agency, 790 South 100 East, Bountiful, Utah, for a period of at least three (3) days before the commencement of the public hearing; and

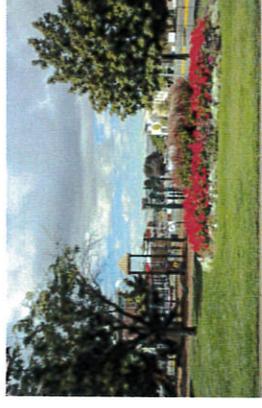
WHEREAS, the Bountiful Redevelopment Agency has considered all written and oral statements made at the public hearing objecting and supporting the Redevelopment Agency Budget based upon the evidence and testimony received at the public hearing.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Bountiful Redevelopment Agency that the 2015-2016 Bountiful Redevelopment Agency Budget is hereby amended as set forth in Exhibit "A" and the 2016-2017 Bountiful Redevelopment Agency Budget is hereby approved.

Randy Lewis, Chairman
Bountiful Redevelopment Agency

Attest: Chad Wilkinson, Director
Bountiful Redevelopment Agency

EXHIBIT “A”



Redevelopment Agency of Bountiful, Utah Operating & Revolving Loan Fund Budgets Fiscal Year 2016-2017



FINAL ADOPTED BUDGET

REDEVELOPMENT AGENCY 2016-2017 BUDGET

PRESENTED TO:

Randy C. Lewis
Kendalyn Harris
Richard Higginson
Beth Holbrook
John Marc Knight
John Pitt

Chairman of the Board
Board Member
Board Member
Board Member
Board Member
Board Member

PREPARED BY:

Gary R. Hill
Galen D. Rasmussen, CPA
Chad Wilkinson

City Manager
Assistant City Manager
Planning & Redevelopment Director

REDEVELOPMENT AGENCY

OVERVIEW

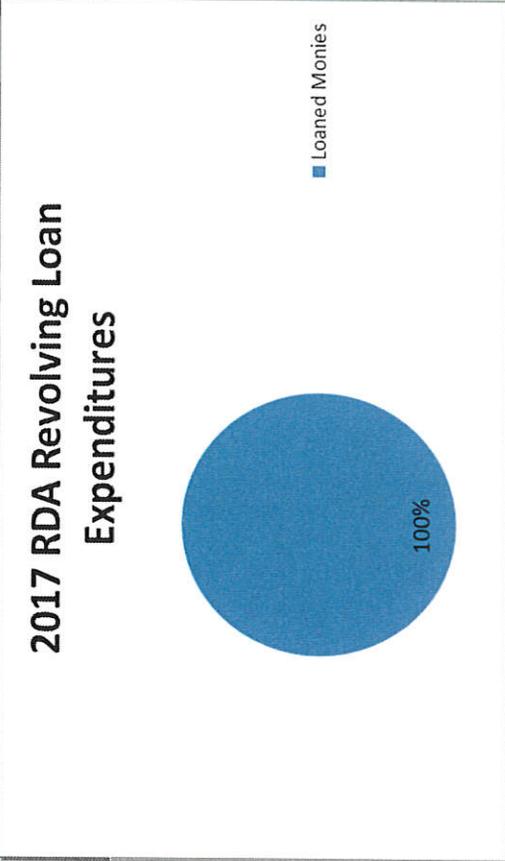
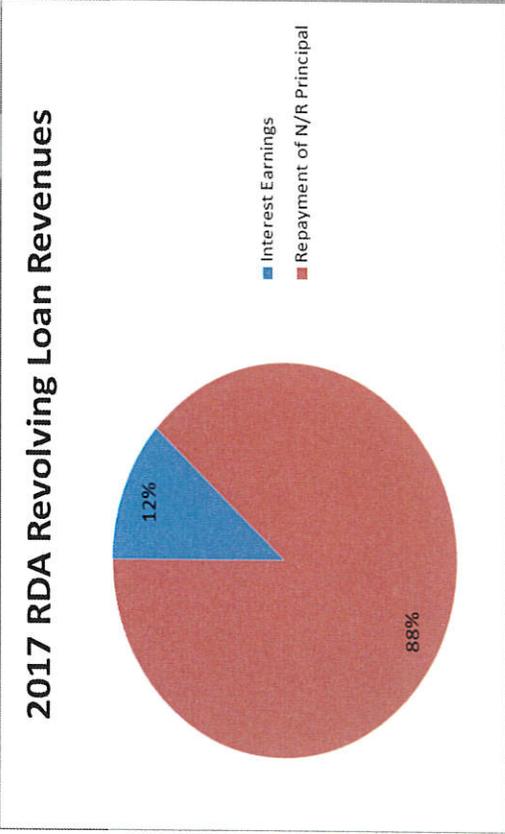
The Redevelopment Agency of Bountiful City is a separate agency authorized under State Law Title 17C known as the Limited Purpose Local Government Entities-Community Development and Renewal Agencies. The purpose of this agency is to facilitate redevelopment efforts in designated areas and to administer projects/programs to assist in economic development, community development and renewing urban areas. The Redevelopment Agency of Bountiful City assists in redevelopment efforts by encouraging private and public investment in previously developed areas that are underutilized or blighted. The Agency also promotes economic development by working with businesses to increase the jobs available in the community and the state as a whole.

GOALS & PROJECTS

Agency special projects that are budgeted for next year center on planning for, and development of, a downtown plaza for revitalization of the downtown area. Conceptual plans include relocation and construction of a new City Hall in the plaza area with surrounding public spaces, including capacity for community events. Additional planning and development will also be focused in the complex surrounding the existing City Hall at 790 South 100 East. The Redevelopment Agency will also continue to administer the Revolving Loan Program, and participate in other projects within the Redevelopment Project Area.

REVOLVING LOAN FUND

BUDGET GRAPHS



BUDGET

Account Number	Account Description	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	6 Month Actual	6 Month Estimate	Fiscal Year 2016 Est.	Fiscal Year 2016 Budget	Amended Fiscal Year 2016 Budget	Fiscal Year 2017 Budget	Dollar Change
1	REDEVELOPMENT AGENCY (REVOLVING LOAN FUND)										
2											
3											
4											
5	REVENUES										
6	726010 361000 Interest Earnings	17,447	14,385	16,101	12,553	7,000	19,553	5,000		5,000	0
7	726010 361065 Int-El Matador	1,191	0	0	0	0	0	0		0	0
8	726010 361066 Int-Drayon	231	122	0	0	0	0	0		0	0
9	726010 361068 Int-Arts Academy	1,802	408	0	0	0	0	0		0	0
10	726010 361071 Int-Costa Vida Restaurant	1,073	788	523	122	71	193	193		2	(191)
11	726010 361072 Int-IDG/Kocherhans	3,361	0	0	0	0	0	0		0	0
12	726010 361073 Int-The Square	21,262	18,508	16,845	6,621	6,125	12,746	12,746		9,733	(3,013)
13	726010 361074 Int-Skills Fitness	9,281	8,153	6,991	3,049	2,745	5,794	0		2,437	2,437
14	726010 361075 Int-Bntfl Lumber-Knowlton	6,145	5,451	4,735	1,757	0	1,757	1,757		0	(1,757)
15	726010 361078 Int-Hist Bntfl Theater	16,893	15,292	13,643	6,187	5,756	11,943	11,943		10,191	(1,752)
16	726010 361079 Interest-DesLandco-Duncan Elec	6,627	6,596	4,021	0	5,215	5,215	5,215		0	(5,215)
17	726010 361081 L.C.		996	5,675	2,639	0	2,639	4,594		0	(4,594)
18	726010 361082 Interest-Village On Main	650	7,282	5,853	2,357	1,969	4,326	4,326		2,752	(1,574)
19	726010 361083 Interest-Timbermill	0	4,040	4,695	2,521	1,700	4,221	4,221		3,733	(488)
20	726010 361084 Interest-Btfl 2600 Land/XtraAu	0	2,000	11,437	4,074	6,390	10,464	10,464		0	(10,464)
21	726010 361085 Interest-Wight House Reception	0	0	0	592	0	592	0		1,093	1,093
22	726010 361086 Interest - Computech/Vector Holdings	0	0	0	0	0	0	0		1,117	1,117
23	726000 369030 Repayment Of N/R (Princ)	490,174	374,497	535,959	655,712	(196,851)	458,861	458,861		258,887	(199,974)
24	728000 381073 Trnsfr Frm RDA Operations	0	0	0	0	0	0	500,000		0	(500,000)
25	728000 389000 Trnsfr-Undesig Fund Bal	0	0	0	0	0	0	0		0	0
26	TOTAL REVENUE	576,137	458,518	626,479	698,185	(159,880)	538,305	1,019,320	0	294,945	(724,376)
27											
28	EXPENDITURES										
29	727200 452300 Uncollectible Accounts	0	0	167,410	0	0	0	0		0	0
30	727200 461050 Loaned Monies	460,000	575,000	40,000	0	0	0	1,019,321		294,945	(724,376)
31	TOTAL EXPENDITURES	460,000	575,000	207,410	0	0	0	1,019,321	0	294,945	(724,376)
32											
33	EXCESS (DEFICIENCY) OF	116,137	(116,482)	419,069	698,185	(159,880)	538,305	(1)		0	1
34	REVENUES OVER EXPENDITURES										

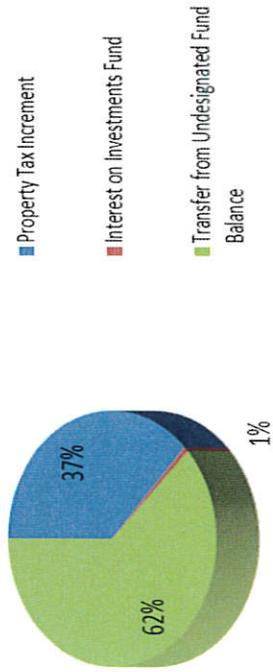
REDEVELOPMENT AGENCY (REVOLVING LOAN FUND)

	Fiscal Year 2017	
	Interest	Principal
1		
2		
3		
4	Principal / Interest Schedule	
5	HMC / Costa Vida	\$2 \$866
6	The Square	\$9,733 \$102,071
7	Skills Fitness	\$2,437 \$20,738
8	Historic Bountiful Theater	\$10,191 \$59,332
9	Village on Main	\$2,752 \$53,311
10	Timbermill / Huatchings	\$3,733 \$16,545
11	Wight House Reception Center	\$1,093 \$2,507
12	Computech / Vector Holdings	\$1,117 \$3,518
13	Totals	\$31,059 \$258,887

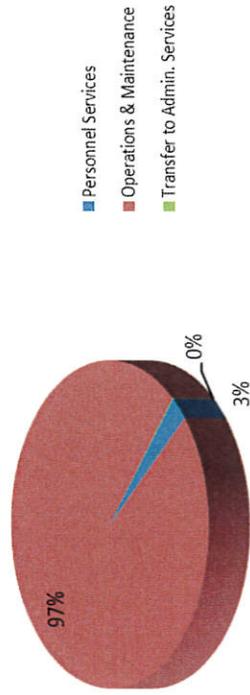
OPERATING FUND

BUDGET GRAPHS

2017 RDA Operating Fund Revenues



2017 RDA Operating Fund Expenditures



BUDGET

Account Number	Account Description	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	6 Month Actual	6 Month Estimate	Fiscal Year 2016 Est.	Fiscal Year 2016 Budget	Amended Fiscal Year 2016 Budget	Fiscal Year 2017 Budget	Dollar Change
1	REDEVELOPMENT AGENCY (OPERATING FUND)										
2											
3											
4											
5											
6	OPERATING REVENUES										
7	731010 311100 Property Tax Increment - RDA	1,498,018	1,467,308	1,399,480	0	1,440,916	1,440,916	1,399,480	1,164,022	(235,458)	
8	733000 395100 State Grants - Miscellaneous	0	0	1,000	10,213	0	10,213	0	0	0	
9	736000 369000 Sundry Revenues	0	0	15,000	0	0	0	0	0	0	
10	736010 361000 Interest Earnings	31,135	32,702	30,547	18,642	7,000	25,642	20,000	1,933,931	1,933,931	
11	737300 389000 Trnsfr from Undesig. Fund Bal	0	0	0	0	0	0	0	0	0	
12	TOTAL REVENUES	1,529,153	1,500,010	1,446,027	28,855	1,447,916	1,476,771	1,419,480	3,117,953	1,698,473	
13	OPERATING EXPENDITURES										
14	PERSONNEL SERVICES										
15	737300 411000 Salaries - Perm Employees	45,304	50,704	37,782	21,063	23,472	44,535	44,535	42,533	(2,002)	
16	737300 412000 Salaries-Temp & Part-Time	21,625	18,061	16,485	7,908	9,255	17,163	17,163	16,663	(500)	
17	737300 413010 Fica Taxes	4,436	5,106	4,820	2,654	2,654	4,919	4,919	4,643	(276)	
18	737300 413020 Employee Medical Ins	9,222	8,731	10,448	5,648	6,294	11,942	11,942	6,851	(5,091)	
19	737300 413030 Employee Life Ins	239	227	241	121	339	460	460	267	(193)	
20	737300 413040 State Retirement & 401 K	6,897	5,821	6,774	3,710	4,173	7,883	7,883	8,111	228	
21	737300 425300 Vehicle Allowance	420	0	2,771	1,551	1,073	2,624	2,624	1,496	(1,128)	
22	737300 491640 Trnsfr To Workers Comp	960	788	1,020	477	465	942	942	901	(41)	
23	TOTAL PERSONNEL SERVICES	89,103	89,437	80,341	42,742	47,725	90,467	90,468	81,465	(9,003)	
24	OPERATIONS & MAINTENANCE										
25	737300 421000 Books Subscr & Mmbrshp	79	0	0	0	300	300	300	300	0	
26	737300 422000 Public Notices	2,517	40	40	0	500	500	500	500	0	
27	737300 423000 Travel & Training	2,584	621	1,121	24	2,000	2,024	4,000	0	(4,000)	
28	737300 424000 Office Supplies	663	405	50	0	1,000	1,000	3,000	500	(2,500)	
29	737300 425000 Equip Supplies & Maint	2,588	588	0	0	0	0	0	0	0	
30	737300 426100 Special Projects	66,022	1,265,633	1,150,562	16,985	60,000	76,985	1,000,000	3,000,000	2,000,000	
31	737300 427000 Utilities	888	888	14,149	(369)	15,000	14,631	2,000	2,000	0	
32	737300 428000 Telephone Expense	329	247	0	0	0	0	900	5,000	4,100	
33	737300 431000 Profess & Tech Services	2,181	1,543	7,914	5,294	1,000	6,294	10,000	10,000	0	
34	737300 431100 Legal And Auditing Fees	0	3,215	0	0	4,000	4,000	6,000	1,000	(5,000)	
35	737300 448060 Renaissance Parkng Payment	415,900	391,525	387,902	0	0	0	407,750	0	(407,750)	
36	737300 451100 Insurance & Surety Bonds	819	868	3,965	1,009	7,000	8,009	8,762	8,762	0	
37	737300 455050 Btl Subconservancy Fees	1,195	1,195	1,195	1,315	0	1,315	1,300	1,300	0	
38	737300 461000 Miscellaneous Expense	0	0	558,358	0	0	0	0	0	0	
39	737300 462230 Public Relations Materials	0	0	0	0	0	0	3,000	3,000	0	
40	737300 482050 Bountiful City Note	0	0	0	0	0	0	0	0	0	
41	737300 491150 Trnsfr To Admin Svcs	6,000	6,000	6,000	4,250	1,750	6,000	8,500	4,126	(4,374)	
42	737300 491720 Trnsfr To Revolving Loan Fund	0	0	0	0	0	0	500,000	0	(500,000)	
43	TOTAL OPERATIONS & MAINTENANCE	501,765	1,672,768	2,131,256	28,508	92,550	121,058	1,956,012	3,036,488	1,080,476	
44	TOTAL OPERATING EXPENDITURES	590,868	1,762,205	2,211,597	71,250	140,275	211,525	2,046,480	3,117,953	1,071,473	
45	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	938,285	(262,195)	(765,570)	(42,395)	1,307,641	1,265,246	(627,000)	0	627,000	