**RESOLUTION NO. _____**

**AMENDING THE 2015-2016 FISCAL BUDGET FOR THE ST. GEORGE NEIGHBORHOOD REDEVELOPMENT AGENCY.**

WHEREAS, pursuant to the Uniform Fiscal Procedures Act for Utah Cities (the "Act"), the City of St. George is required to adopt an annual budget with regard to the funds of the City; and

WHEREAS, the City has complied with the provisions of the Act in adopting a budget, and setting and conducting public hearings on such budget.

NOW, THEREFORE, at a regular meeting of the Neighborhood Redevelopment Agency of the City of St. George, Utah, duly called, noticed and held on the 19th day of May, 2016, upon motion duly made and seconded, it is unanimously.

RESOLVED that the 2015-2016 fiscal budget for the Neighborhood Redevelopment Agency of the City of St. George thereto, is hereby amended. Said amendments are attached hereto as Exhibit "A."

VOTED UPON AND PASSED BY THE ST. GEORGE NEIGHBORHOOD REDEVELOPMENT AGENCY AT A REGULAR MEETING OF SAID AGENCY HELD ON THE 19TH DAY OF MAY, 2016.

Members of the Agency Voting Aye
Jimmie Hughes
Michele Randall
Joe Bowcutt
Bette Arial
Ed Baca

_____
Jonathan T. Pike, Chairman

ATTEST:

_____
Christina Fernandez, City Recorder

**CITY OF ST. GEORGE**
**Budget Opening - Fiscal Year 2015-16**
**May 19, 2016**

# ST. GEORGE REDEVELOPMENT AGENCY (RDA)

| | | | | |
|---|---|---|---|---|
| 1 | 35-3500-7300 | Dixie Center EDA - Improvements | 1,120,000 | |
| | 35-36710 | Dixie Center EDA - Proceeds from Interfund Loan | | 1,000,000 |
| | 35-38100 | Dixie Center EDA - Contributions from Others | | 120,000 |
| | 41-4100-9110 | Economic Development Fund - Loans to Other Funds | 1,000,000 | |
| | 41-38800 | Economic Development Fund - Appropriated Fund Balance | | 1,000,000 |

To budget for erosion protection and infrastructure improvements within the Dixie Center EDA to induce commercial development; to budget for an interfund loan from the Economic Development Fund to be paid back from future Dixie Center EDA tax revenues; and to also budget for contributions from the Washington County Flood Control Authority for a portion of the erosion protection.

| | | | | |
|---|---|---|---|---|
| 2 | 34-3400-6203 | Ft. Pierce EDA #1 - Distributions to Taxing Agencies | 200,000 | |
| | 34-38800 | Ft. Pierce EDA #1 - Appropriated Fund Balance | | 200,000 |

To increase the budget for Distributions to Taxing Agencies for distributions scheduled in the previous fiscal year, however payment was delayed until this current year.

| | | | | |
|---|---|---|---|---|
| 3 | 42-4200-9100 | Downtown RDA - Transfers to Other Funds | 80,000 | |
| | 42-38800 | Downtown RDA - Appropriated Fund Balance | | 80,000 |
| | 40-38200 | Capital Projects Fund - Transfers from Other Funds | 80,000 | |
| | 40-38800 | Capital Projects Fund - Appropriated Fund Balance | | 80,000 |

To budget for the estimated transfer to close-out the Downtown RDA fund which expired during the current fiscal year on December 31, 2015.

NEIGHBORHOOD REDEVELOPMENT AGENCY
OF THE CITY OF ST. GEORGE,
WASHINGTON COUNTY, UTAH

# RESOLUTION NO. _____

**A RESOLUTION OF THE NEIGHBORHOOD REDEVELOPMENT AGENCY OF THE CITY OF ST. GEORGE (THE "AGENCY"), AUTHORIZING A LOAN TO THE AGENCY'S I-15 ECONOMIC DEVELOPMENT PROJECT AREA, WHICH IS OTHERWISE KNOWN AS THE DIXIE CENTER ECONOMIC DEVELOPMENT AREA ("DIXIE CENTER EDA"), FROM THE CITY OF ST. GEORGE'S (THE "CITY") GENERAL ECONOMIC DEVELOPMENT FUND RELATED TO EROSION PROTECTION AND INFRASTRUCTURE IMPROVEMENTS WITHIN THE DIXIE CENTER EDA.**

**WHEREAS**, the Neighborhood Redevelopment Agency of the City of St. George, Washington County, Utah (the "Agency") approved the study, design, engineering, construction management, and construction costs for erosion protection and infrastructure improvements within the Dixie Center Economic Development Area (the "Dixie Center EDA") boundaries, for city-owned property, in its Fiscal Year 2015-16 budget (the "Project"); and as authorized by the Agency's Resolution No. 2014-09-001R, adopted September 4, 2014 to amend the Dixie Center EDA's Project Area Budget, the Agency has decided to borrow the necessary funds for the Project from the City of St. George, Utah (the "City") from its General Economic Development Fund, to be re-paid from future property tax revenues generated within the Dixie Center EDA; and

**WHEREAS**, the Agency desires to authorize a loan to the Agency and its Dixie Center EDA from the City and its General Economic Development Fund in order to pay for the cost of the Project; and

**WHEREAS**, the Agency intends on using future annual property tax revenues received in the Dixie Center EDA to repay the loan; and

**WHEREAS**, the Agency has determined that the loan is the least costly option for such financing needs related to the Project;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the Neighborhood Redevelopment Agency of the City of St. George, Utah, as follows:

**Section 1.** Findings. The Agency hereby finds that a need exists requiring the borrowing of monies from the City and its General Economic Development Fund to the Agency and its Dixie Center EDA, as more fully described below:

| LENDING FUND | BORROWING FUND |
|---|---|
| Economic Development Fund – Fund 41 | Dixie Center EDA – Fund 35 |

**Section 2.** Authorization; Amount and Terms. The Agency hereby authorizes borrowing monies for the Agency and its Dixie Center EDA, from the City and its General Economic Development Fund, pursuant to a certain Note and Agreement between the General Economic Development Fund and the Dixie Center EDA (the "Note"), attached to this Resolution and incorporated herein by this reference (Attachment A). The total dollar amount of the Note shall be in a not-to-exceed amount of One Million ($1,000,000). The Note shall bear interest on the unpaid balance from the date of the transfer until repaid in full. The Note shall be repaid no later than June 30, 2023. The terms, conditions and requirements are approved in accordance with this Resolution and the Note.

**Section 3.** Execution and Approval of Promissory Note. The Agency hereby authorizes and approves the attached Note (Attachment A) and authorizes the Agency Chairman to execute the Note on behalf of the Agency. Upon execution of the Note, the Agency's Dixie Center EDA shall repay the Note based on the conditions, terms and requirements of the Note.

**Section 4.** Reports. The financial reports of the Agency shall identify the loan for as long as the Note is outstanding.

**PASSED AND ADOPTED** by the Board of the St. George Redevelopment Agency of the City of St. George, Utah, at an open public meeting thereof on the _____ day of _____, 2016.

_____
Jonathan T. Pike, Chairman

ATTEST AND COUNTERSIGN:

_____
Christina Fernandez, Secretary

APPROVED AS TO FORM:

_____
Shawn Guzman, Agency Attorney

(ATTACHMENT A)

# PROMISSORY NOTE

**NOTE AND AGREEMENT BETWEEN THE CITY OF ST. GEORGE, GENERAL ECONOMIC DEVELOPMENT FUND, AND THE NEIGHBORHOOD REDEVELOPMENT AGENCY OF THE CITY OF ST. GEORGE, DIXIE CENTER ECONOMIC DEVELOPMENT AREA FUND**

This Note and Agreement (hereinafter "Agreement") is made by and between the City of St. George, Utah, General Economic Development Fund (hereinafter "Lender"), and the Neighborhood Redevelopment Agency of the City of St. George, Utah, Dixie Center Economic Development Area Fund (Dixie Center EDA) (hereinafter "Borrower").

## RECITALS

WHEREAS, the Lender is desirous of providing funds, and the Borrower is desirous of receiving funds, for the study, design, engineering, and construction management, for erosion protection and infrastructure improvement costs within the Dixie Center EDA boundaries for city-owned property (hereinafter "the Project").

## NOTE AND AGREEMENT

NOW, THEREFORE, for value received, and in consideration of the terms and covenants contained herein, the receipt and sufficiency of which hereby is acknowledged, the parties agree as follows:

1. Principal Amount of Note. The Lender hereby issues this Note to Borrower for an amount up to and including, but not to exceed, One Million Dollars ($1,000,000). The principal balance is all advances, disbursements, expenditures, and payments made by the Lender to the Borrower for the Project.

2. Effective Date. The effective date of this Note and Agreement is June 1, 2016.

3. Note Term. The term of this Note and Agreement is beginning June 1, 2016, and ending June 30, 2023.

4. Interest Rate and Accruals. The unpaid balance shall consist of unpaid principal and interest, and will bear interest at a rate equal to one and one-half percent (1.50%). All interest accruing shall be calculated on a 365-day year basis, for the actual number of days elapsed.

5. Payment of Principal and Interest. Payment of the Note shall be annually with the payment applied first to interest, and any remaining balance of the payment then applied to principal; however the Note is due in full on June 30, 2023, without penalty for prepayment.

6. Record Keeping. The Administrative Services Department of the City of St. George will establish and maintain records and a financial management system that will account for all funds loaned, received, and paid under this Agreement, in accordance with generally accepted accounting practices and procedures.

7. General Provisions. This is the entire agreement of the parties with respect to the terms of the Note and Agreement, and it shall be amended only by subsequent written agreements of the parties. This Agreement is binding upon the parties, and their successors and assigns. If any provision of this Agreement is held invalid or unenforceable by a court, the remainder of the Agreement shall not be affected if the remainder conforms to the terms and requirements of applicable law.

IN WITNESS WHEREOF, the parties hereto have caused this Note and Agreement to be executed this ____ day of _____, 2016.

**CITY OF ST. GEORGE:**

_____
Jonathan T. Pike, Mayor

_____
Gary S. Esplin, City Manager

ATTEST:

_____
Christina Fernandez, City Recorder

Approved as to form:

_____
Shawn Guzman, City Attorney

**NEIGHBORHOOD REDEVELOPMENT AGENCY OF THE CITY OF ST. GEORGE:**

_____
Jonathan T. Pike, Agency Chairman

ATTEST:

_____
Christina Fernandez, Secretary

Approved as to form:

_____

Shawn Guzman, Agency Attorney

# Loan Amortization Schedule

| | Enter values |
|---|---|
| Loan amount | $ 1,000,000.00 |
| Annual interest rate | 1.50 % |
| Loan period in years | 6 |
| Number of payments per year | 1 |
| Start date of loan | 6/30/2017 |
| Optional extra payments | |

**Lender name:** Loan Econ. Devel. To Dixie Ctr EDA

| | Loan summary |
|---|---|
| Scheduled payment | $ 175,525.21 |
| Scheduled number of payments | 6 |
| Actual number of payments | 6 |
| Total early payments | $ - |
| Total interest | $ 53,151.29 |

| Pmt. No. | Payment Date | Beginning Balance | Scheduled Payment | Extra Payment | Total Payment | Principal | Interest | Ending Balance | Cumulative Interest |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 6/30/2018 | $ 1,000,000.00 | $ 175,525.21 | $ - | $ 175,525.21 | $ 160,525.21 | $ 15,000.00 | $ 839,474.79 | $ 15,000.00 |
| 2 | 6/30/2019 | $ 839,474.79 | $ 175,525.21 | $ - | $ 175,525.21 | $ 162,933.09 | $ 12,592.12 | $ 676,541.69 | $ 27,592.12 |
| 3 | 6/30/2020 | $ 676,541.69 | $ 175,525.21 | $ - | $ 175,525.21 | $ 165,377.09 | $ 10,148.13 | $ 511,164.60 | $ 37,740.25 |
| 4 | 6/30/2021 | $ 511,164.60 | $ 175,525.21 | $ - | $ 175,525.21 | $ 167,857.75 | $ 7,667.47 | $ 343,306.86 | $ 45,407.72 |
| 5 | 6/30/2022 | $ 343,306.86 | $ 175,525.21 | $ - | $ 175,525.21 | $ 170,375.61 | $ 5,149.60 | $ 172,931.25 | $ 50,557.32 |
| 6 | 6/30/2023 | $ 172,931.25 | $ 175,525.21 | $ - | $ 172,931.25 | $ 170,337.28 | $ 2,593.97 | $ - | $ 53,151.29 |

**ST. GEORGE NEIGHBORHOOD REDEVELOPMENT AGENCY MINUTES**
**MARCH 3, 2016**
**CITY COUNCIL CHAMBERS**

**PRESENT:**

**Chairman Jon Pike**
**Agency Member Jimmie Hughes**
**Agency Member Michele Randall**
**Agency Member Ed Baca**
**City Manager Gary Esplin**
**City Attorney Shawn Guzman**
**City Recorder Christina Fernandez**

**EXCUSED:**

**Agency Member Joe Bowcutt**
**Agency Member Bette Arial**

**PUBLIC HEARING/DRAFT CENTRAL BUSINESS DISTRICT COMMUNITY DEVELOPMENT PROEJCT AREA PLAN AND DRAFT MILLCREEK COMMUNITY DEVELOPMENT PLAN:**

**Public hearing regarding the Draft Central Business District Community Development Project Area Plan and the Draft Millcreek Community Development Plan to allow public comment on the Draft Area Plans and whether the Draft Project Area Plans should be revised, approved, or rejected.**

City Manager Gary Esplin advised under state law, the Redevelopment Agency is allowed to make up agency areas to use tax increment financing for projects. There are several EDAs and CDAs throughout the City. He is proposing to create two additional CDAs, one in the Downtown area and the other in the Millcreek Business Park.

Jason Burningham with Lewis Young Robertson & Burningham presented a PowerPoint presentation covering the following topics: Introduction: Community Development and Renewal Agencies; Purpose of a CDA to Encourage Community Enhancement & Assistance; Tax Increment; General Tax Increment Example; Process of Creation – CDAs; Central Business District CDA; Project Area Plan: Proposed CDA Project Area Boundaries; Development Assumptions – "Proposed Community Development"; Reasons for CDA Project Area; Next Steps; Millcreek CDA; Project Area Plan: Proposed CDA Project Area Boundaries; Development Assumptions – "Proposed Community Development"; Reasons for a CDA Project Area; and Next Steps. He explained if a business in one of the CDAs chooses not to participate, the biggest potential downside is the underlying assessed value because the parcels around them are being enhanced.

City Manager Gary Esplin explained an interlocal agreement means the other entities have to agree to give up their portion of tax increments. The City has been acquiring property in the downtown area that is not accessing tax. He mentioned that cities throughout the state are using CDAs to improve their downtown areas. This proposal will have to be discussed with the County, School District and other agencies as they receive the majority of property tax increments; without them, this will not work.

Chairman Pike opened the public hearing.

Jim Coleman, downtown property owner, stated that he feels strongly that there is a definite need for this type of project in the City. He asked when the public would see a disclosure of the project plan and since participation is voluntary for private property owners, there would not be an act by the City for a condemnation process or if that would be held in abeyance as to so be something the City can and will use.

City Manager Gary Esplin explained that state statute allows condemnation in a City for public purpose, but not in a CDA to further a development project. It not anticipated that any project proposed so far would have any reason to do a condemnation. Additionally, there have not been any negotiations other than being contacted by several groups who

wish to bring in projects if a CDA is created. These projects would be approved by the Council and the Redevelopment Agency; the proposals have been for apartments, hotels, commercial, retail, and restaurants. None of the funds received from these tax increments will be used by the City to build anything. In looking at planning around the Country, it is critical to have a variety of things happening in a downtown area. Although the City already has a number of things in the downtown area, some areas such as retail is lacking.

Agency Member Baca noted that the Joule Plaza project has been addressed at public meetings.

Steve Smith, downtown property owner, recognized the challenges of the downtown area. It is difficult for the City to know how far in the market to interject itself to pump economic development. One of the problems they are concerned with is residential – whether it is owner occupied or rentals. The nature of the residential units is as critical as their existence; they need to have significant disposable income. He doesn't know if there is enough interest in the market to commit resources for development that will re-thicken the Central Business District. It is a challenge to find things that will bring people downtown. With projects like this, noticing requirements need to be expanded to give property owners knowledge of what is being proposed within a CDA. The document he received states that the CDA has the opportunity to acquire and assemble land and to demolish land in order to further the goals of the CDA. He asked if there were any areas the Agency anticipates acquiring in order to further projects.

City Manager Gary Esplin explained that a CDA is created to help bring the focus to the downtown area. With regard to housing, staff would encourage more living units as things are changing. Not everyone wants to buy a home, some want a downtown apartment where they can walk or ride their bike to work; most of them have significant disposable income. The City does not intent to purchase property other than what it has over the past 20 years.

Mr. Burningham mentioned that Mr. Smith brought up some excellent points. The conceptual proposals have been market rate driven housing. None of them have been affordable housing projects. Part of the plans objective is to revitalize the area. Investing into downtown areas has been successful in many cases.

Agency Member Baca commented about transparency and noticing requirements. What has transpired in the area has been quite clear and open. There is no question that things have been open such as the Electric Theater and the Children's Museum.

City Manager Gary Esplin added that the area is zoned C4; therefore a public hearing would not be required if the proposed use conforms to the zone. If there is a need, staff goes beyond the noticing requirements. Noticing for tonight's action is mandated by state law; staff conformed to the law. He doesn't see a problem with notifying all residents in the area on future projects.

Ed Nelson, downtown property owner, stated that his biggest concern is having a theme. He would like the businesses on the bottom level and would like them to be unique. He asked how the CDA will bring all of that together.

City Manager Gary Esplin explained the proposal on the City owned project has commercial on the bottom level with residential above. There is a theme downtown – the Arts District, Electric Theater, entertainment, etc. The theme is the historic nature of the downtown area; any projects would have to conform with the historic district.

Tom Bayles, who represents property owners in the Millcreek Industrial Park, asked what the plan is in that area.

City Manager Gary Esplin stated at this point, the plan is a concept to generate new jobs. Staff has been approached by three businesses in the area who want to expand; some of which would be significant expansions. The City did not initiate the desire to go with a CDA. One of these businesses approached the State to expand their operation and was told that the City needed to help; they were going to leave the state. This has been done previously with Family Dollar, Viracon and Wells Dairy in the Ft. Pearce area. He explained how the percentage of tax increments come into the CDA.

Randy Wilkinson, downtown property owner, mentioned the Joule Plaza project. As a potential developer of a project in the downtown area, he is grateful for the RDA to consider creating a CDA. The cost of the project became prohibitive; a CDA can give their project new life. At this point 150-185 high scale rental units is what they are proposing. A market study has shown these types of units would be successful. There has been some interest in the commercial space.

Chairman Pike closed the public hearing.

Agency Member Hughes stated when talking about what may or may not be accomplished; there is an upside to having the opportunity to promote these projects. Regarding ~~to~~ the Millcreek Industrial Park, it is interesting to know that customers of one of the companies there would like to see them closer to where they are; however, that company chose to stay here. Things will be discussed as projects are proposed. There is incredible potential in creating these CDAs.

Agency Member Randall commented that the current Council would never approve anything that would not enhance downtown.

**RESOLUTION/CENTRAL COMMUNITY BUSINESS DEVELOPMENT PROJECT AREA PLAN: Consider approval of a resolution approving the Draft Central Business District Community Development Project Area Plan as the official Project Area Plan.**

**MOTION**: A motion was made by Agency Member Hughes to adopt the resolution approving the Draft Central Business District Community Development Project Area Plan.
**SECOND**: The motion was seconded by Agency Member Randall.
**VOTE**: Chairman Pike called for a roll call vote, as follows:

Agency Member Hughes – aye
Agency Member Randall - aye
Agency Member Baca – aye

The vote was unanimous and the motion carried.

**RESOLUTION/MILLCREEK COMMUNITY DEVELOPMENT PROJECT AREA: Consider approval of a resolution approving the Draft Millcreek Community Development Project Area Plan as the official Project Area Plan.**

**MOTION**: A motion was made by Agency Member Hughes to adopt the resolution approving the Draft Millcreek Community Development Project Area Plan.
**SECOND**: The motion was seconded by Agency Member Baca.

City Manager Gary Esplin clarified that the when approving the draft plan, the Agency is accepting it as the official plan; it is no longer a draft.

**AMENDED MOTION**: An amended motion was made by Agency Member Hughes to adopt the resolution approving the Millcreek Community Development Project Area Plan as the official project area plan.

**SECOND:** The amended motion was seconded by Agency Member Baca.

**VOTE:** Chairman Pike called for a roll call vote, as follows:

Agency Member Hughes – aye
Agency Member Randall - aye
Agency Member Baca – aye

The vote was unanimous and the motion carried.

**MINUTES:**

**Consider approval of the minutes of the Redevelopment Agency meeting held December 17, 2015.**

**MOTION**: A motion was made by Agency Member Randall to approve the minutes from December 17, 2015.

**SECOND:** The motion was seconded by Agency Member Baca.

**VOTE:** Chairman Pike called for a vote, as follows:

Agency Member Hughes – aye
Agency Member Randall - aye
Agency Member Baca – aye

The vote was unanimous and the motion carried.

**ADJOURN TO CITY COUNCIL MEETING:**

**MOTION**: A motion was made by Agency Member Randall to adjourn to the City Council meeting.

**SECOND:** The motion was seconded by Agency Member Hughes.

**VOTE:** Chairman Pike called for a vote, as follows:

Agency Member Hughes – aye
Agency Member Randall - aye
Agency Member Baca – aye

The vote was unanimous and the motion carried.

_____
Christina Fernandez, City Recorder