



**REDEVELOPMENT AGENCY OF MIDVALE CITY
MEETING AGENDA
January 22, 2019**

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold a regular meeting on the **22nd day of January 2019** at Midvale City Hall, 7505 South Holden Street, Midvale, Utah as follows:

7:00 PM OR IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING

I. GENERAL BUSINESS

A. WELCOME AND ROLL CALL

II. PUBLIC COMMENTS

Any person wishing to comment on any item not otherwise scheduled for public hearing on the Agenda may address the Redevelopment Agency Board at this point by stepping to the microphone and giving his or her name for the record. **Comments should be limited to not more than three (3) minutes, unless additional time is authorized by the Governing Body.** Citizen groups will be asked to appoint a spokesperson. This is the time and place for any person who wishes to comment on non-hearing, non-Agenda items. Items brought forward to the attention of the Redevelopment Agency Board will be turned over to staff to provide a response outside of the Redevelopment Agency meeting.

III. CONSENT AGENDA

A. Consider Minutes of December 11, 2018 *[Rori Andreason, H.R. Director/City Recorder]*

IV. ACTION

A. Discussion and Action Regarding Resolution No.2019-1RDA Approving the Terms of a Lease Agreement between the Redevelopment Agency of Midvale City and Cell Wholesale LLC for the Lease of Property Located at 764 West Center Street *[Matt Dahl, Redevelopment Agency Director]*

V. 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 day 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 also posted at the following locations on the date and time as posted above: City Hall Lobby, on the City's website at 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 SILENCE CELL PHONES DURING THE MEETING

DATE POSTED: JANUARY 18, 2019

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



REDEVELOPMENT AGENCY MEETING

Minutes

Tuesday December 11, 2018

Council Chambers

7505 South Holden Street

Midvale, Utah 84047

CHAIR: Robert M. Hale

BOARD MEMBERS: Board Member Paul Hunt
Board Member Dustin Gettel
Board Member Paul Glover
Board Member Quinn Sperry
Board Member Bryant Brown - Excused

STAFF: Brian Berndt, Assistant City Manager/Community Development Director; Laurie Harvey, Assistant City Manager/Admin. Services Director; Rori Andreason, City Recorder/H.R. Director; Lisa Garner, City Attorney; Glen Kennedy, Public Works Director; Matt Dahl, Redevelopment Agency Director; Annaliese Eichelberger, RDA Project Manager; Lesley Burns, City Planner; Christopher Butte, Economic Development Director; Laura Magness, Communications Specialist; Chief Randy Thomas, UPD; and Matt Pierce, IT Manager.

Chair Hale called the meeting to order at 9:25 p.m.

I. GENERAL BUSINESS

A. Roll Call - Board Members Paul Hunt, Dustin Gettel, Quinn Sperry, and Paul Glover were present at roll call. Board Member Bryant Brown was excused.

II. PUBLIC COMMENTS

There was no one present who desired to speak.

III. CONSENT AGENDA

A. CONSIDER MINUTES OF DECEMBER 4, 2018

MOTION: Board Member Paul Glover **MOVED** to approve the consent agenda. The motion was **SECONDED** by Board Member Dustin Gettel. Chair Hale called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Paul Hunt	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Bryant Brown	Absent

The motion passed unanimously.

IV. ACTION ITEMS

**A. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 2018-15RDA
APPROVING AN INTERLOCAL AGREEMENT FOR THE INSTALLATION
OF A TRAFFIC LIGHT ON COLISEUM WAY**

Annaliese Eichelberger said the current intersection of Bingham Junction Blvd. and Tuscany View Road has been identified as a safety hazard for pedestrians and motorists. The City Council asked redevelopment staff to consider the possibility of installing a traffic signal at this location to mitigate for these issues. Staff has been working with Salt Lake County's Public Works Division over the last few months to work through the design and schedule.

The signal will be a 4-way lighted intersection with flashing yellow arrows for left-hand turns. For pedestrians this intersection will include crosswalks in all directions, as well as push button walk signals. The City will own the traffic signal once completed and the County will maintain it. Because the traffic signal will be placed on City property by the County and funded by the RDA, the Interlocal agreement will be between all three parties. The County anticipates beginning construction by September 2019 with a completion date no later than December 30, 2019.

The agreement has been prepared by the County's legal counsel and reviewed by the City's legal department. Staff recommends adopting the resolution and executing the agreement.

FISCAL IMPACT:

The cost estimate for this project is \$201,700.00 and will be funded from the Agency's Infrastructure budget.

Council Member Dustin Gettel said he was surprised that there were uniform objections in the audience. He feels that it will be a good improvement and the crosswalk is the most important piece.

MOTION: Board Member Paul Hunt MOVED to adopt Resolution No. 2015-15RDA authorizing the execution of an Interlocal Agreement between Salt Lake County, the Redevelopment Agency of Midvale City and Midvale City for the Installation of a traffic signal at Bingham Junction Blvd. and Coliseum Way. The motion was SECONDED by Board Member Dustin Gettel. Chair Hale called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Paul Hunt	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Bryant Brown	Absent

The motion passed unanimously.

B. DISCUSSION AND ACTION REGARDING RESOLUTION NO. 2018-16RDA APPROVING THE TERM SHEET FOR A REIMBURSEMENT

**AGREEMENT WITH RIVERWALK LAND INVESTMENT, LLC AND
AUTHORIZING THE EXECUTION OF A TAX INCREMENT
REIMBURSEMENT AGREEMENT BETWEEN THE REDEVELOPMENT
AGENCY OF MIDVALE CITY AND RIVERWALK LAND INVESTMENT,
LLC**

Matt Dahl stated the Agency, in cooperation with the City, recently sold bonds for the purpose of raising funds to fulfill all reimbursement obligations that were derived from the original reimbursement agreement executed in the Bingham Junction Project Area (Littleson Agreement) and subsequently terminating that agreement and the agreements derived from it. The Agency will improve its long term financial position and eliminate difficult to administer contractual terms through this effort. In so doing, Riverwalk Land Investment, LLC (Developer) is being asked to terminate their existing reimbursement agreement, which was derived from the Littleson Agreement, in exchange for reimbursing them the full amount now owed to them, rather than over the course of 15 years. The Developer is willing to terminate their existing agreement but requires a replacement agreement to ensure that they would have access to \$340,000 for future development expenses that would have been reimbursed under the original agreement. The Developer owns four properties in the project area (Property) that they intend to develop.

The properties are

- 7171 South Bingham Junction Blvd.
- 7111 South Bingham Junction Blvd.
- 7087 South Bingham Junction Blvd.
- 7115 South Bingham Junction Blvd.

It is the Developer's intent to build new commercial buildings on these sites. Given the soil conditions in the project area, all new development is required to use methods and materials for construction that would not otherwise be required. Examples of these extra expenses include utilization of helical piers or HDPE pipe, as well as other efforts to comply with institutional controls placed on the site. In the previous reimbursement agreement, the Agency provided reimbursement for these additional expenses, and it is the Agency's intent to again cover these costs in the proposed agreement.

Agency staff has negotiated a proposed reimbursement agreement term sheet (attached) that details the proposed terms of the reimbursement agreement. The term sheet places the reimbursement cap for development costs at \$340,000. The Agency will reimburse the Developer 54% of the tax increment generated by the Property (i.e., 90% of the 60% of tax increment that Agency receives for general redevelopment activities) for approved expenses through annual payments until the expiration of the project area, or until the approved costs have been paid, whichever comes first. Additionally, the Developer will need to be approved for all expenses within five years, which will encourage faster completion of the proposed development and remove the uncertainty of an ongoing and unrealized obligation.

The term sheet has been prepared in consultation with Tom Berggren of Jones Waldo and has been reviewed by and approved by the Developer.

FISCAL IMPACT:

The Developer is responsible for paying the initial costs of development. Reimbursement is limited by the amount of tax increment generated by the Property and the amount of reimbursement expenses approved by the Agency. The maximum reimbursement amount will be \$340,000 plus interest, which will accrue on the balance of the approved reimbursement expenses at a rate of 5% per annum.

Redevelopment Agency of Midvale City Riverwalk Investments II TIRA and Riverwalk Land Investment TIRA

Bingham Junction



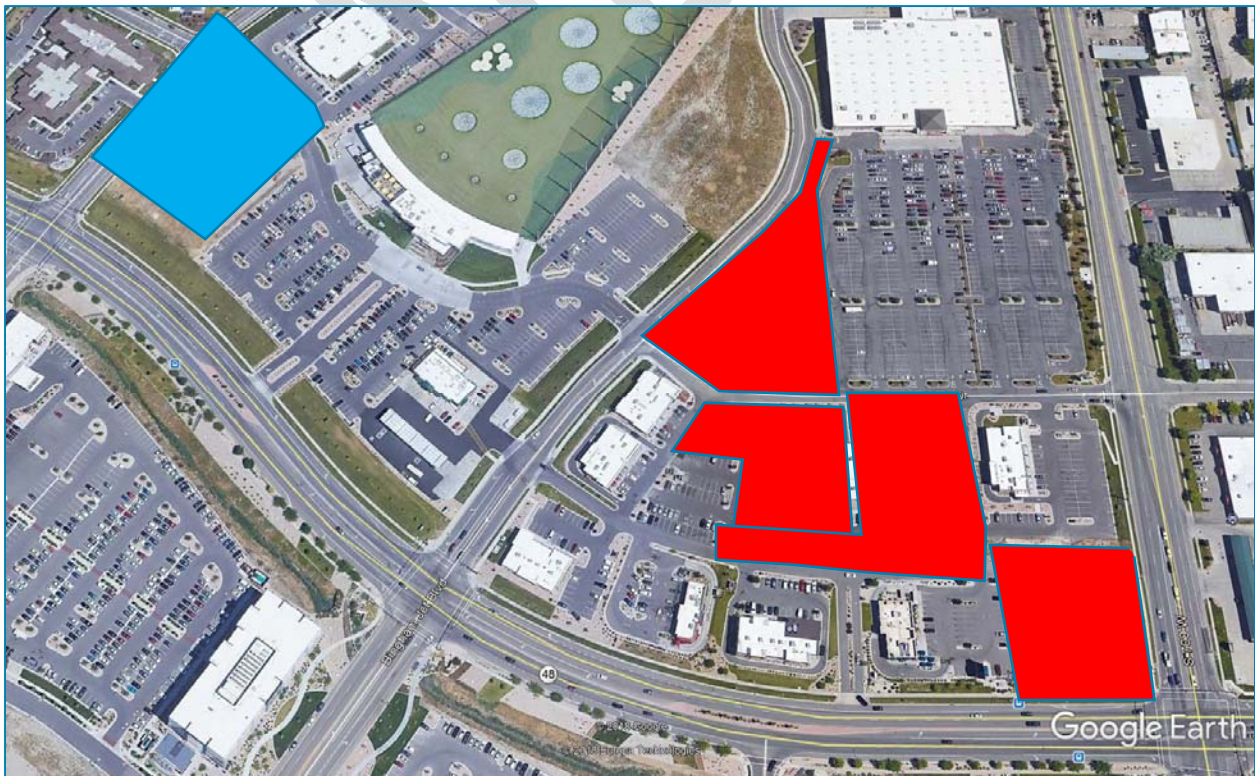
Bingham Junction – Riverwalk Investments II



Bingham Junction – Riverwalk Land Investment



Bingham Junction – Property



TIRA Term Sheet Summary

Term	Riverwalk Investment	Land Riverwalk Investment II
Properties	4 Parcels (5.57 acres)	1 Parcel (2.0 acres)
Reimbursement Activities	Marginal Increase in construction resulting from unique site conditions.	Marginal Increase in construction resulting from unique site conditions.
Base Value	\$1,000,000	\$250,000
Reimbursement Cap	\$500,000	\$100,000
Approved Period	7 Years	7 Years
Annual Tax Increment Distribution	54%	54%
Interest Rate	5%	5%

MOTION: Board Member Dustin Gettel MOVED to approve Resolution No. 2018-16RDA Approving the term sheet for a reimbursement agreement with Riverwalk Land Investment, LLC and authorizing the execution of a Tax Increment Reimbursement Agreement between the Redevelopment Agency of Midvale City and Riverwalk Land Investment, LLC for the substitute term sheet that was provided at the meeting. The motion was **SECONDED** by Board Member Quinn Sperry. Chair Hale called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Paul Hunt	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Bryant Brown	Absent

The motion passed unanimously.

C. DISCUSSION AND ACTION REGARDING RESOLUTION NO. 2018-17RDA APPROVING THE TERM SHEET FOR A REIMBURSEMENT AGREEMENT WITH RIVERWALK INVESTMENT II, LLC AND AUTHORIZING THE EXECUTION OF A TAX INCREMENT REIMBURSEMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND RIVERWALK LAND INVESTMENTS II, LLC

MOTION: Board Member Quinn Sperry MOVED to approve Resolution No. 2018-17RDA Approving the term sheet as substituted and amended for tonight's discussion for a reimbursement agreement with Riverwalk Land Investment II, LLC and authorizing the execution of a Tax Increment Reimbursement Agreement between the Redevelopment Agency of Midvale City and Riverwalk Investment II, LLC Per the substitute term sheet that was provided

at the meeting. The motion was **SECONDED** by Board Member Paul Hunt. Chair Hale called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Paul Hunt	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Bryant Brown	Absent

The motion passed unanimously.

IV. ADJOURN

MOTION: Board Member Paul Glover **MOVED** to adjourn the meeting. Board Member Paul Hunt **SECONDED** the motion. Chair Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

The meeting adjourned at 9:41 p.m.

Rori L. Andreason, MMC
City Recorder

Approved this day of 2018.



Redevelopment Agency of MIDVALE CITY SUMMARY REPORT

MEETING DATE: JANUARY 22, 2019

SUBJECT: Discussion and Action Regarding Resolution No.2019-1RDA Approving the Terms of a Lease Agreement between the Redevelopment Agency of Midvale City and Cell Wholesale LLC for the Lease of Property Located at 764 West Center Street

SUBMITTED BY: Matt Dahl, Redevelopment Director

SUMMARY: Cell Wholesale, LLC, (“Cell Wholesale”) an entity affiliated with Leatherby’s Family Creamery (“Leatherby’s”), has requested to lease the Redevelopment Agency of Midvale City-Owned (“Agency”) property located at 764 West Center Street (“Property”). Cell Wholesale would like to use the Property to provide dedicated parking for the Leatherby’s located at 778 West Center St. Leatherby’s does not currently have dedicated parking for their retail operations and adjacent public parking is regularly utilized by nearby businesses and apartments. Additionally, Leatherby’s would like to use the Property to achieve better access to their facilities located behind their retail building. The facilities are used as warehousing for catering, ice cream wholesale, and other functions that support Leatherby’s corporate operations.

The Property is a 0.14 acre parking lot that has been owned by the Agency for many years. It has been considered a public short-term parking lot, which was intended to support neighboring retail businesses. However, it has been regularly used for the long-term parking of vehicles associated with neighborhood businesses and apartments. The Agency has not regularly allocated resources for the maintenance of the Property or enforced the posted “No-Overnight Parking” requirements on the site.

Staff is supportive of leasing the Property to Cell Wholesale for the following reasons:

- **Main Street Small Area Plan (“Plan”):** The Plan calls for supporting local businesses in the Main Street neighborhood. By dedicating parking for Leatherby’s we will support their continued operations by providing better access. Additionally, during our public outreach for the Plan, we had several respondents indicate that they would like an ice cream shop in the Main Street Project Area.
- **Maintenance:** Cell Wholesale will take responsibility for maintaining the site. This will help with the appearance of the Property and Center Street, without requiring additional Agency resources.

- **Enforcement:** The Property has unintentionally provided long-term parking and storage of vehicles in varying conditions (operable and not). Cell Wholesale will be responsible for enforcing the short-term nature of the parking on the site. Additionally, Cell Wholesale will be responsible for providing all necessary signage to provide proper notice of the parking restrictions on the Property.
- **Tax Revenue:** When public property is used for a private purpose it is put on the property tax rolls. Cell Wholesale will pay the property taxes on the property as part of a triple-net lease.
- **RDA Revenue:** Cell Wholesale will provide the RDA with monthly rental payments of \$200.

Staff and the owner of Cell Wholesale have negotiated a proposed set of terms for the lease of the Property. The following is a summary of the proposed terms (the complete term sheet is attached.)

Lease Rate:	\$200 Monthly
Term:	Five years with potential for five one-year extensions at the Agency's discretion.
Maintenance:	Cell Wholesale shall be responsible for all maintenance on the Property.
Insurance:	Cell Wholesale shall maintain general liability and property insurance.
Improvements:	Cell Wholesale may install an auto connection between the Property and 774 West Center Street.
Enforcement:	The enforcement of the Lessee's exclusive use of the Property shall be the responsibility of Cell Wholesale.
Use:	Cell Wholesale shall have exclusive use of the Property for short-term customer and employee parking and automobile access to adjacent properties.

FISCAL IMPACT: The Agency will have no obligation to allocate additional resources for this transaction. The Lessee shall make monthly payments of \$200 to the Agency (\$2,400 annually). These funds have not been included in the FY2019 Budget.

RECOMMENDED MOTION: I move that we adopt Resolution No. 2019-1RDA Approving the Terms of a Lease Agreement between the Redevelopment Agency of Midvale City and Cell Wholesale LLC for the Lease of Property Located at 764 West Center Street

ATTACHMENTS: Resolution No. 2019-1RDA, 764 West Lease Agreement Term Sheet, Site Map

RESOLUTION No. 2019-1RDA

A RESOLUTION APPROVING THE TERMS OF THE 764 WEST CENTER STREET LEASE AGREEMENT TERM SHEET BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND CELL WHOLESALE LLC FOR THE LEASE OF PROPERTY LOCATED AT 764 WEST CENTER STREET.

WHEREAS, the Redevelopment Agency of Midvale City (“Agency”) was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act; and

WHEREAS, the Board of Directors of the Agency Adopted the Midvale Main Street Small Area Plan, which identifies the support of existing businesses as a strategy for revitalizing the Main Street neighborhood; and

WHEREAS, the Agency owns Property at 764 West Center Street (“Property”); and

WHEREAS, Leatherby’s Family Creamery is an established retail business in the Main Street neighborhood; and

WHEREAS, Cell Wholesale, LLC is affiliated with Leatherby’s Family Creamery; and

WHEREAS, Cell Wholesale has requested to lease the Property for uses that will benefit Leatherby’s Family Creamery; and

WHEREAS, the Agency and Cell Wholesale LLC have negotiated the terms of a lease agreement for the Use of the Property; and

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Board of Directors does hereby approve the terms of the 764 West Center Street Lease Agreement Term Sheet and authorize the Chief Administrative Officer and Executive Director to execute a Lease Agreement subject to the 764 West Center Street Term Sheet and such other terms and conditions as recommended by Agency’s legal counsel.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT
AGENCY OF MIDVALE CITY, STATE OF UTAH, this _____ day of _____, 2019.**

Robert Hale
Chief Administrative Officer

Kane Loader
Executive Director

ATTEST:

Rori L. Andreason, MMC
Secretary

Voting by the Board:

Dustin Gettel
Paul Glover
Quinn Sperry
Paul Hunt
Bryant Brown

“Aye”

“Nay”

764 West Center Street Lease Agreement Term Sheet

Parties	Cell Wholesale, LLC (Lessee)
	Redevelopment Agency of Midvale City (Agency)
Property	764 West Center Street (Property)
Use:	1. The Lessee must follow all state and local laws in the use of the Property. 2. During the term of the lease, the Lessee shall have exclusive use of the Property. 3. The Lessee may use the Property for the following: a. Short term customer and employee parking b. Auto access to adjacent properties 4. The Lessee shall not sub-lease any portion of the Property. 5. The Agency may use the Property for public parking six (6) times per year, provided the Agency submits a written request to the Lessee at least fourteen (14) days in advance.
Term	1. The initial term shall be five (5) years. 2. At the discretion of the Agency, the Lessee may exercise five (5) one-year extensions beginning at the end of the initial term. 3. Lessee shall give the Agency written notice of their intent to exercise each one (1) year extension at least 60 days prior to the expiration of the current term.
Lease Rate	\$200 per month.
General Provisions	1. The lease shall be triple net, with the Lessee paying all property taxes, insurance, and maintenance costs for the site. 2. The Lessee shall maintain general liability insurance in the amount of \$1,000,000. 3. The Lessee shall maintain property insurance for the Property in the amount of \$50,000. 4. The Lessee shall be responsible for the maintenance of the site, which shall include, but not be limited to, garbage, vegetation, and snow removal.

		5. Prior to the expiration of the lease, the Lessee shall repair all damage to the Property and remove all improvements, unless otherwise determined in writing by the Agency.
Improvements and Signage:		1. All improvements and signage must comply with applicable state and local laws. 2. All improvements must be approved by the Agency in writing prior to construction. 3. The Lessee may install an auto connection between the Property and 774 West Center Street. All improvements associated with the auto connection must be removed and associated damage repaired prior to the end of the lease term.
Enforcement:		The enforcement of the Lessee's exclusive use of the Property shall be the sole responsibility of the Lessee. However, the Lessee shall not enact any punitive measures for parking or trespassing on the Property without the installation of signage warning that such measure may be taken (i.e., Lessee cannot tow cars for parking on the Property without signage indicating that they will do so.)

Site Map



- Agency Property 764 West Center Street
- Leatherby's/Cell Wholesale Property