SYRACUSE CITY

Syracuse City Redevelopment Agency Agenda
March 12, 2019 – immediately following the City Council Business Meeting, which begins at 6:00 p.m.
City Council Chambers
Municipal Building, 1979 W. 1900 S.

1. Meeting called to order
   Adopt agenda
2. Proposed Resolution RDA19-01 establishing the Tenant Incentive Program for certain spaces within the Antelope Business Park. (10 min.)
3. Adjourn.

~~~~~

In compliance with the Americans Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should contact the City Offices at 801-825-1477 at least 48 hours in advance of the meeting.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted within the Syracuse City limits on this 7th day of March, 2019 at Syracuse City Hall on the City Hall Notice Board and at http://www.syracuseut.com/. A copy was also provided to the Standard-Examiner on March 7, 2019.

CASSIE Z. BROWN, MMC
SYRACUSE CITY RECORDER

Out of courtesy for those in attendance at the meeting, please silence or power-off your cell phone.
Public WiFi connectivity – Network: Public-wireless. Password: iamaguest
~~~~~

RDA AGENDA

March 12, 2019

Agenda Item #1 **RDA Board Meeting - Antelope Business Park Incentive**

Factual Summation

The Antelope Business Park is located on the north half of the Syracsue SR-193 project area. The business park has built 2 out of 4 originally planned buildings. They are experiencing difficulty in leasing their existing tenent spaces in the two completed buildings. The RDA board expressed interest in offering incentives to attract future tenents of the project. Please find attached the proposed incentive structure up for approval at this time.

Background Information

The Syracuse SR-193 EDA is 73.5 acre property tax collection area created to 'facilitate economic development and create jobs in a premium quality business park that has excellent roadway access and rail access.' The time frame for tax increment collection is 15 years. It was activated in 2014 and will expire in 2028. The 2017 taxable value of the area was 34 million. The project has not generated the anticipated incremental tax revenues as to date. The Agency is authorized to recieve 80% of the generated property taxes with the taxing entities recieving 20% until the project expires. At that point, the taxing entities will resume recieving the full 100% property tax. The city also has three other project areas, Town Center RDA, Syracuse 750 West RDA, and Antelope Drive CDA.

Proposed Incentive Structure

With the goal of assisting in filling the two existing building's vacancies, please find below a proposed incentive structure. Once spaces are leased up, the interior of the building is improved with tenant improvements, thus increasing the value of the buildings. Also, a full building attracts additional investment and signals to lenders that the borrower will be able to pay on loan payments. This would essentially be a 'subsidized' lease agreement. Based off construction costs and land value, the current advertised lease rate for the two buildings is .65 psf in the warehouse and 1.10 PSF in the office. There is roughly 50,000 remaining square feet that needs to be leased up. A competitive lease rate is about 50 cents per square foot on warehouse. Multiplying 50,000 x .15 = 7,500 per month x 12 months is roughly 90,000 per year. Most leases are 5 to 10 years. $90,000 per year x 5 is $450,000. If this is approved by the RDA board, it is information that could be advertised on the project flyer up front, attracting additional traffic. Please find the rate structure below:

.10/sqft- for a new business with a 5 year lease

.12/sqft- for a new business with a 5 year lease, and at least 10 employees

.15/sqft- for a new business with a 5 year lease, at least 10 employees, with an average wage of $50,000 per year

G. Map of Project Area

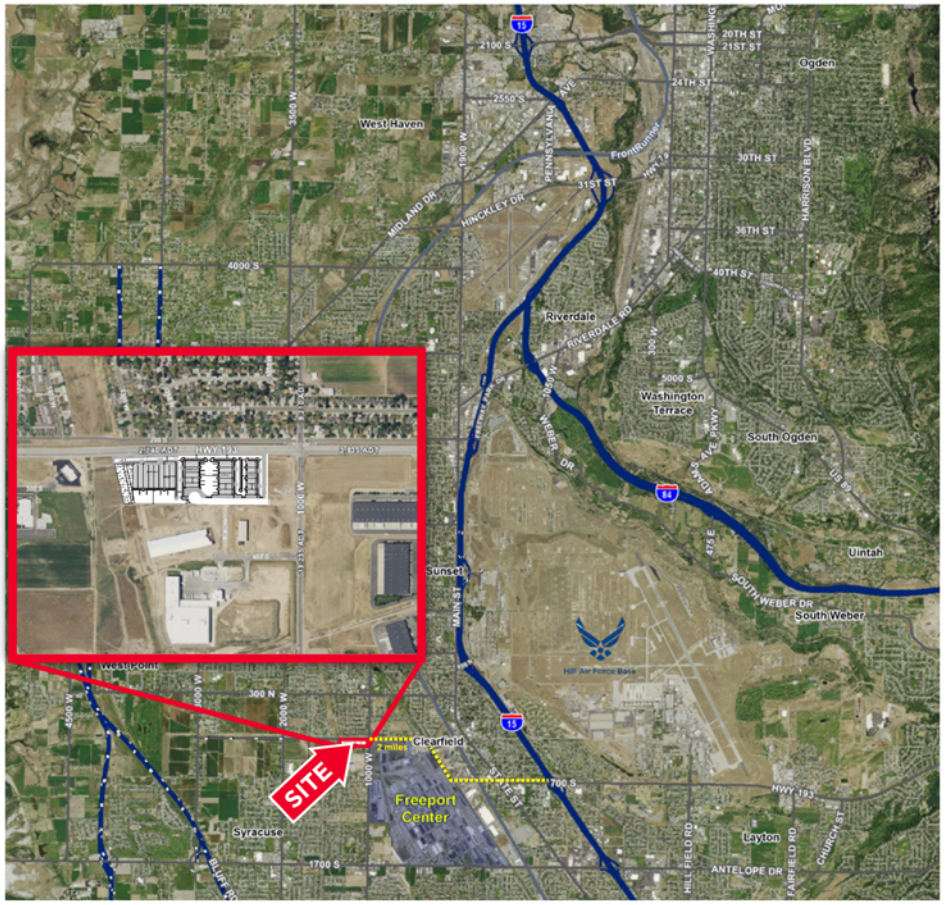
W 200 S
1550 W
193
S 1000 W
© 2018 Google
W 700 S
1997
Imagery Date: 9/10/2018
41°06'27.27" N 112°02'56.

FOR LEASE

Antelope Business Park Syracuse Phase I & II

1100 West 350 South / Syracuse, Utah

Aerial



Jeremy Terry
Industrial Specialist
+1 801 303 5561
jeremy.terry@cushwake.com

Tom Freeman, SIOR
Executive Director
+1 801 303 5449
tom.freeman@cushwake.com

Travis Healey, SIOR
Senior Director
+1 801 303 5565
travis.healey@cushwake.com

Josh Wangsgard
Industrial/Investment Specialist
+1 801 525 3000
josh.wangsgard@cushwake.com

170 South Main Street Suite 1600
Salt Lake City, UT 84101
Main +1 801 322 2000
Fax +1 801 322 2040
cushmanwakefield.com

Cushman & Wakefield Copyright 2015. No warranty or representation, express or implied, is made to the accuracy or completeness of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by the property owner(s). As applicable, we make no representation as to the condition of the property (or properties) in question.
(path: M:\1 - Projects\Terry, J\1 - Flyers\1100w350s_Syracuse)

FOR LEASE

Antelope Business Park Syracuse Phase I & II

1100 West 350 South / Syracuse, Utah

Property Highlights

- 220,002 Total SF
  Phase I:
  - Building 1: 32,206 SF
  - Building 2: 48,600 SF

  Phase II:
  - Building 3: 39,000 SF
  - Building 4: 104,140 SF
- 12' x 14' grade level doors
- 9' x 10' dock high doors
- ESFR fire suppression
- Fiber optics to buildings
- Divisible bay sizes from 5,400 - 45,000 SF
- Fronts Highway 193, less than 2 miles from I-15
- Lease Rates:
  $0.65 PSF, NNN Warehouse
  $1.10 PSF, NNN Office

Jeremy Terry
Industrial Specialist
+1 801 303 5561
jeremy.terry@cushwake.com

Tom Freeman, SIOR
Executive Director
+1 801 303 5449
tom.freeman@cushwake.com

Travis Healey, SIOR
Senior Director
+1 801 303 5565
travis.healey@cushwake.com

Josh Wangsgard
Industrial/Investment Specialist
+1 801 525 3000
josh.wangsgard@cushwake.com

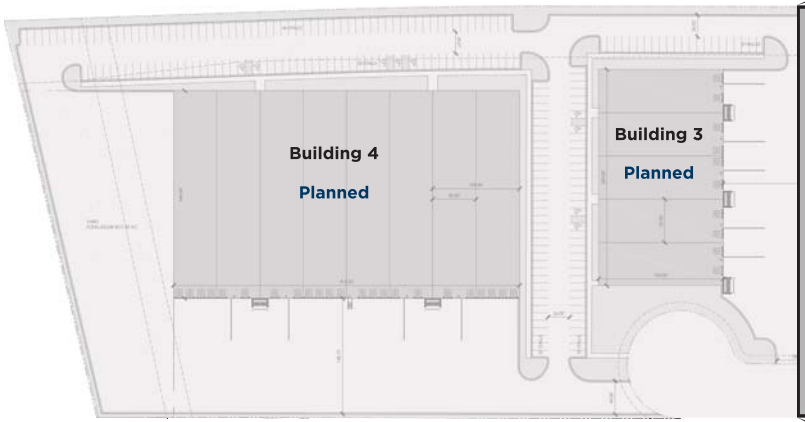
170 South Main Street Suite 1600
Salt Lake City, UT 84101
Main +1 801 322 2000
Fax +1 801 322 2040
cushmanwakefield.com

FOR LEASE

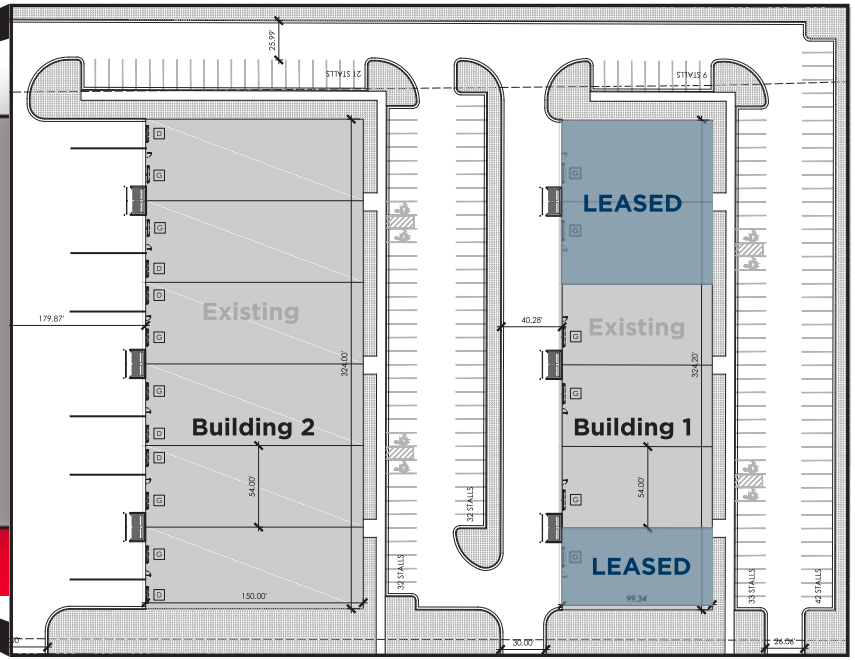
Antelope Business Park
Syracuse Phase I & II

1100 West 350 South / Syracuse, Utah

Phase II - Planned



Phase I - Ready for Tenant Improvements



Property Information

Building 4

- Total size: 104,140 SF
- Available: 104,140 SF
- Divisible to: 26,000 SF units
- Office: Finish to suit
- Clear height: 32'
- Car parking: 158 stalls allocated to building
- Power: 600A, 208/480V, 3 phase
- Loading: (19) DH doors
  (4) GL doors

Building 3

- Total size: 39,000 SF
- Available: 39,000 SF
- Divisible to: 7,800 SF units
- Office: Finish to suit
- Clear height: 28'
- Car parking: 55 stalls allocated to building
- Power: 600A, 208/480V, 3 phase
- Loading: (5) DH doors
  (5) GL doors

Building 2

- Total size: 48,600 SF
- Available: 48,600 SF
- Divisible to: 8,100 SF units
- Office: Finish to suit
- Clear height: 28'
- Car parking: 85 stalls allocated to building
- Power: 600A, 208/480V, 3 phase
- Loading: (6) DH doors
  (6) GL doors

Building 1

- Total size: 32,206 SF
- Available: 16,200 SF
- Divisible to: 5,400 SF units
- Office: Finish to suit
- Clear height: 22'
- Car parking: 84 stalls allocated to building
- Power: 1,200A, 208/480 volt, 3 phase
- Loading: (0) DH doors
  (6) GL doors

RESOLUTION RDA19-01

A RESOLUTION OF THE SYRACUSE CITY REDEVELOPMENT AGENCY ESTABLISHING THE TENANT INCENTIVE PROGRAM FOR CERTAIN SPACES WITHIN THE ANTELOPE BUSINESS PARK.

WHEREAS, the Syracuse City Redevelopment Agency (the "Agency") currently has an active Economic Development Area called the Syracuse SR-193 Economic Development Project Area (the "Area"); and

WHEREAS, one of the main purposes of the Area is to stimulate job growth and investment in the Area, which will benefit the City; and

WHEREAS, the Agency board finds that establishing a tenant incentive program that provides partial reimbursement to tenants inside the Antelope Business Park, will advance the purposes of the EDA and the Agency; and

WHEREAS, a document establishing the rules, procedures and qualifications for such a program has been prepared; and

WHEREAS, the Agency finds that the establishment of this program will be in the best interests of the City and provide opportunities for growth and development, job creation, and economic prosperity,

NOW, THEREFORE, BE IT RESOLVED BY THE SYRACUSE CITY REDEVELOPMENT AGENCY, SYRACUSE CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. Adoption. The Agency adopts the Tenant Incentive Program for Certain Spaces Inside the Antelope Business Park , attached as Exhibit A, as an applicable program for which participation may be applied by qualified tenants.

Section 2. Approval. The Syracuse City CED Department, in coordination with the Syracuse City Administration, is authorized to administer the program and provide reports to the Board regarding its administration.

Section 2. Severability. If any section, part or provision of this Resolution or the program is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts and provisions of this Resolution or program shall be severable.

Section 3. Effective Date. This effective date of this Resolution is the date of its publication.

PASSED AND ADOPTED BY THE SYRACUSE CITY REDEVELOPMENTAGENCY, SYRACUSE CITY, STATE OF UTAH, THIS 6th DAY OF MARCH, 2019.

SYRACUSE CITY REDEVELOPMENT AGENCY

ATTEST:

_____ By:_____

Cassie Z. Brown, MMC
Secretary

Mike Gailey
Executive Director

Voting by the Agency:

	"AYE"	"NAY"
Bingham	____	_____
Bolduc	_____	_____
Maughan	_____	_____
Peterson	_____	_____
Savage	_____	_____

EXHIBIT “A”

TENANT INCENTIVE PROGRAM
FOR CERTAIN LEASE SPACES WITHIN THE ANTELOPE BUSINESS PARK
SYRACUSE, UTAH

This program for tenant incentives is authorized this 12th day of March 2019, by Resolution of the REDEVELOPMENT AGENCY OF SYRACUSE CITY, a body corporate and politic of the State of Utah (the "Agency").

JUSTIFICATION FOR PROGRAM

A. Two office buildings are located inside the Antelope Business Park, at 1098 West 350 South, Syracuse, Utah (the "Business Park").
B. The Agency has an active Economic Development Project Area (the "EDA") that includes the Business Park, and which sunsets at the end of 2028.
C. The Agency has access to tax increment that may be used to stimulate economic development and job growth inside the EDA, and may allocate tenant or other end-user outreach payments, the timing and amount of which is determined by the Agency and payable through the Agency.
D. The two office buildings have not achieved adequate tenancy since their construction.
E. The Agency wishes to stimulate tenancy and employment in the EDA by offering a tenant incentive program, thus achieving the goals of the EDA and potentially spurring further development within it.

ARTICLE I

TENANT INCENTIVE PROGRAM

1.1 The Agency hereby establishes a tenant incentive program ("TIP") for space currently vacant in the Business Park, by which new tenants may receive a partial reimbursement for actual lease payments paid to the Owner, subject to the terms and conditions of the program.
1.2 The funds for the TIP shall be limited to funds generated within the EDA. If funds are not generated sufficient to cover these expenses, neither the Agency nor Syracuse City are responsible or liable for payment of those amounts.
1.3 Notwithstanding section 1.2, the Agency will provide such payments prior to tax increment disbursements to the Developer of the Syracuse SR-193 Economic Development Project Area, unless otherwise ordered by a court of competent jurisdiction.
1.4 The Agency receives tax increment funding by April of each year. As such, reimbursements may only be provided after receipt of the tax increment by the Agency.
1.5 Qualified tenants who participate in the TIP may receive no more than five (5) years of reimbursement. In any case, reimbursements will not be permitted for any lease obligation or payment for occupancy past December 2028.

ARTICLE II

APPLICABILITY

2.1 The TIP is only available to tenants that occupy space that is currently vacant at the time of this program's approval by the Agency. A diagram of currently vacant spaces is attached as Exhibit A, and is incorporated by this reference.

2.2 Tenants may not qualify to participate in the TIP by relocating, renegotiating, temporarily vacating, expanding, or renewing a leasehold within the Business Park. Neither may a tenant qualify by re-organizing as a new entity; any entity that has the same principals as a former tenant, or a business that has at least 20% ownership interest in common with a former tenant of the buildings, are not qualified to participate.

2.3 Tenants may qualify for TIP funding only if they: (1) enter into a lease of at least five (5) years in length, (2) generate new jobs at the Business Park that work on a full-time basis within the leased space, and (3) have occupied the lease space with employees. The amount of TIP funding available is based upon the following three categories:

A. A tenant that generates at least one new, full-time job who is employed full-time at the leased premises, may receive reimbursement of up to $0.10 per square foot of leased space for each month of lease actually paid.

B. A tenant that generates and maintains throughout the reimbursement period at least ten (10) full-time jobs who are employed full-time at the leased premises, may receive the amount identified in Subsection 2.3(A), plus an additional $0.02 per square foot of leased space for each month of lease actually paid, for a total of up to $0.12 per square foot.

C. A tenant that generates and maintains throughout the reimbursement period at least ten (10) full-time jobs who are employed full-time at the leased premises, with an average gross salary of at least $50,000 per year among all of the employees who are employed at the leased premises, may receive the amount identified in Subsection 2.3(A), plus an additional $0.05 per square foot of leased space, for a total of $0.15 per square foot.

2.4 A tenant may not access funds from both the subsection 2.3(B) and 2.3(C) categories in a calendar year.

2.5 If a tenant's circumstances have changed and they are seeking a different category of TIP reimbursement, they must notify the Agency of the date upon which the circumstances changed. A change which would result in a shift to a lower category of TIP reimbursement (such as a reduction in labor force due to layoffs or voluntary termination of employment) shall be reported to the Agency at the time of the annual request of reimbursement.

2.6 Tenants who wish to participate in the TIP shall make application with the Agency, which will determine the level of eligibility in which the tenant may participate. Such tenants will only be eligible for prospective rent reimbursement – the Agency will not provide reimbursements for lease payments that pre-date the tenant's application to the Agency.

2.7 Tenants must provide proof that they are compliant with employment laws of the United States of America, as demonstrated by their participation in a status verification system, such as E-Verify.

2.8 Tenants must comply with all other applicable federal, state and local laws, rules and regulations. Tenants must obtain a Syracuse City business license, and all tenant improvements must be constructed pursuant to a building permit issued by the Syracuse City Building Official. Failure to comply with such laws, rules, or regulations will result in a denial of reimbursement by the Agency.

2.9 Tenants may not transfer their TIP qualifications to any other entity or individual. The new occupant must apply for reimbursement.

2.10 Sub-tenants do not qualify for participation in the TIP.

ARTICLE III

PROCEDURE FOR TENANTS TO ACCESS PROGRAM

3.1 Tenants who wish to participate in the TIP shall make application to the Agency by delivering to the Syracuse City Community and Economic Development Director a letter of application.

3.2 The letter of application shall contain the following:

A. The legal name of the tenant, and any d.b.a.'s applicable.

B. The name of the principals of the tenant, if it is a corporate entity.

C. The phone, electronic mail, and mailing address of the tenant.

D. A copy of a properly executed lease for qualifying space in the Business Park, which lease shall include the square footage of space exclusively leased by the tenant.

E. A statement of how many full-time employees are employed at the leased premises on a full-time basis.

F. Evidence of full-time employees in the form of paystubs, accepted offer letters, or suitable documentation to establish the employment status of the employee(s). If offer letters are provided, then the Agency may request additional documentation prior to lease reimbursement.

G. If subsection 2.3(C) of this Program is requested, documentation demonstrating that the full-time jobs meet the salary requirements of that Section.

H. Verification that the tenant participates in a status verification system, such as E-Verify.

I. Copies of the tenant's business license and certificate of occupancy, issued by Syracuse City business license and building officials.

J. A statement that all of the information provided is true and accurate, under penalty of the laws of the state of Utah.

3.3 The Agency will determine whether the tenant meets the qualifications of the TIP, and notification will be provided to the tenant of that determination.

3.4 Once the tenant's qualifications have been established, the tenant shall be required to enter into an Agreement with the Agency, prior to disbursement of funds from the Agency.

ARTICLE IV

REIMBURSEMENT

4.1 The Agency receives distributions of tax increment in the Spring of each year, and will make distributions to qualified tenants, if there is sufficient increment to do so. If the Agency has insufficient increment to provide the reimbursement, then reimbursements may be decreased or eliminated without any expectation of later reimbursement by the Agency or Syracuse City.

4.2 By March 1 of each year, previously qualified tenants shall present to the Agency:

(A) A request for TIP reimbursement;

(B) Evidence of lease payments made in the prior calendar year;

(C) Verification of improved square-footage for the leased premises;

(D) Proof of the number of full-time employees that work full-time at their leased premises in the Business Park;

(E) If they are seeking reimbursement under Subsection 2.3(C), evidence that greater than ten employees work at the location, and that the average salary of all full-time employees at the premises exceeds fifty-thousand dollars ($50,000.00) per year; and

(F) A sworn statement that the information they are providing is true and accurate, under penalty of the laws of the state of Utah.

Failure to provide all of this information by March 1 will result in a denial of their claim for reimbursement.

4.3 The Agency may not provide greater than ninety-thousand dollars ($90,000.00) per calendar year on total TIP reimbursements. The total outlays for the TIP over the life of the program may not exceed four-hundred fifty-thousand dollars ($450,000.00).

4.4 Timely applications for reimbursement will be processed, and payments will be provided by the Agency within forty-five (45) days after the receipt of tax increment for the EDA.

ARTICLE V

ADDITIONAL PROVISIONS

5.1 Any tenant that provides false or misleading information to the Agency shall be immediately removed from the TIP and will not be eligible for future participation.

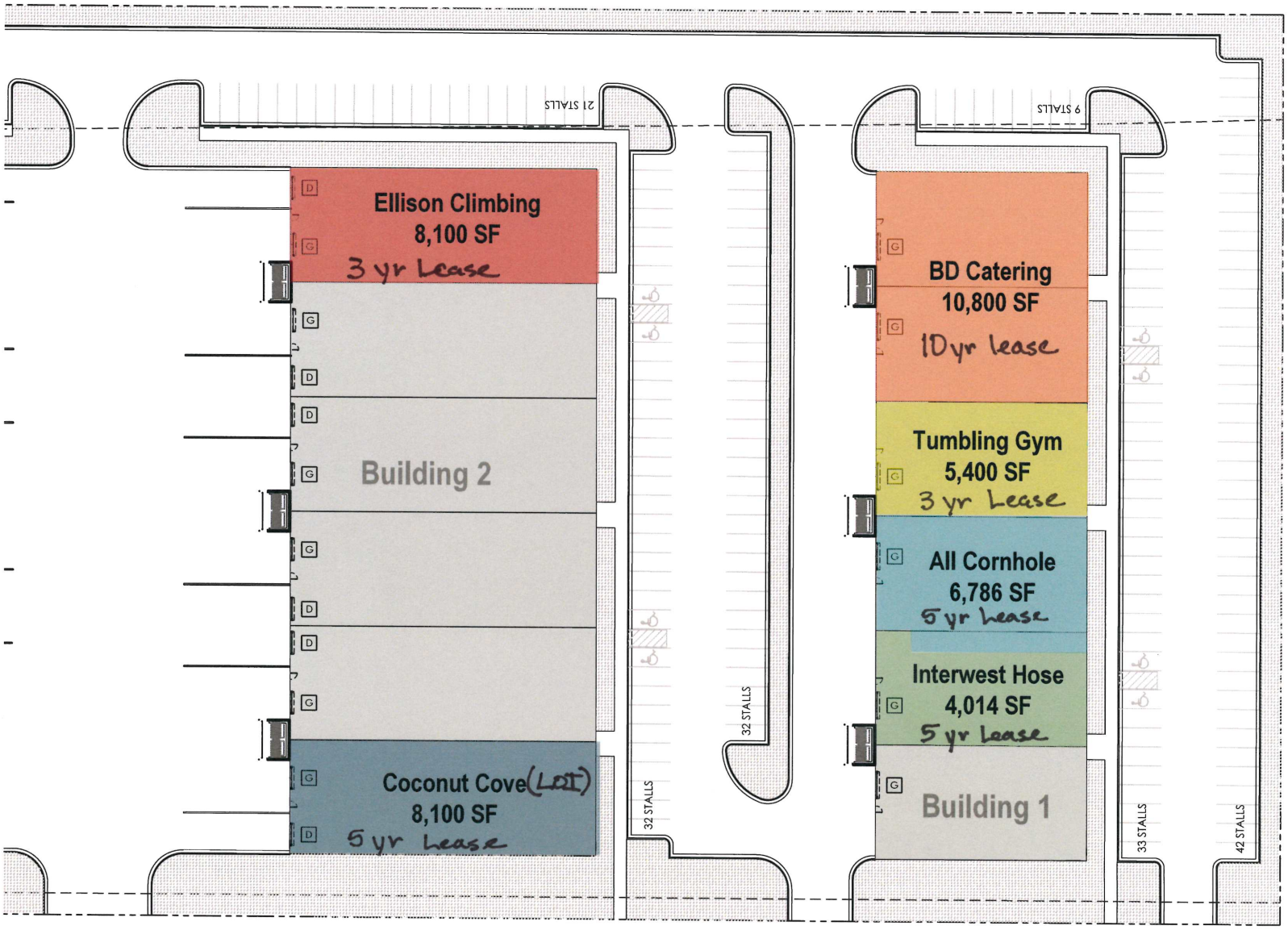
5.2 Tenants that violate federal, state, or local law will be immediately terminated from the TIP and will not be eligible for future participation.

5.3 The Agency may terminate or modify the provisions of the TIP at any time. If the Agency does so, it will honor the applications of tenants that have previously been approved for participation, but may limit or eliminate future tenant participation.

5.4 The terms of this program are governed by and subject to the laws of the state of Utah. If they are found to be in violation of those laws, then the TIP will be terminated immediately, without any future outlays to participants, regardless of whether they were qualified to participate.

5.5 Appeals from applicants who are aggrieved by administrative decisions will be presented to the Agency board to conduct a hearing and make final determinations regarding the application.

5.6 Records provided by the tenant shall be subject to the Government Records Access and Management Act (GRAMA). Although personally identifying information will be removed from paystubs or offer letters before a public request to view or copy those documents is filled, the majority of information will be deemed public by virtue of the tenant's participation in the program.


Ellison Climbing
8,100 SF
3 yr Lease
Building 2
Coconut Cove (LOI)
8,100 SF
5 yr Lease
21 STALLS
32 STALLS
32 STALLS
BD Catering
10,800 SF
10yr lease
Tumbling Gym
5,400 SF
3 yr Lease
All Cornhole
6,786 SF
5 yr Lease
Interwest Hose
4,014 SF
5 yr Lease
Building 1
9 STALLS
33 STALLS
42 STALLS