



REDEVELOPMENT AGENCY OF MIDVALE CITY MEETING AGENDA December 3, 2019

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold a regular meeting on the **3rd day of December 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 November 12, 2019 [*Rori Andreason, H.R. Director/City Recorder*]
- B. Set Date and Time [December 10, 2019 at 7:00 p.m.] for a public hearing to consider amendments to the FY2020 Budget of the Redevelopment Agency of Midvale City [*Matt Dahl, Assistant City Manager/ CD Director*]

IV. DISCUSSION ITEM

- A. Discuss Proposed Amendments to the FY2020 Budget of the Redevelopment Agency of Midvale City [*Matt Dahl, Assistant City Manager/ CD 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: NOVEMBER 27, 2019

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



REDEVELOPMENT AGENCY MEETING

Minutes

Tuesday November 12, 2019

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 - Excused
Board Member Bryant Brown

STAFF: Kane Loader, City Manager; Matt Dahl, Assistant City Manager/Community Development Director; Rori Andreason, City Recorder; Lisa Garner, City Attorney; Patrick O'Brien, RDA Housing Manager; Chief Randy Thomas, UPD; and Juan Rosario, Systems Administrator.

Chair Hale called the meeting to order at 8:47 p.m.

I. GENERAL BUSINESS

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

II. PUBLIC COMMENTS

There was no one who desired to speak.

III. CONSENT AGENDA

A. CONSIDER MINUTES OF SEPTEMBER 3, 2019

MOTION: Board Member Bryant Brown **MOVED** to approve the consent agenda. 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	Absent
Board Member Bryant Brown	Aye

The motion passed unanimously.

IV. DISCUSSION ITEMS

A. WASATCH RESIDENTIAL GROUP TAX INCREMENT AGREEMENT

Patrick O'Brien Wasatch Residential Group (WAG) has requested a tax increment reimbursement related to their development of moderate-income housing in the Bingham Junction Project Area. The reimbursement would cover construction expenses related to the unique site conditions in the Bingham Junction Project Area. The Bingham Junction Project Area Budget that was approved at the time of the project area's creation requires that 20% of the tax increment generated over 25 years must be used to support the development of affordable housing. The Agency had previously acknowledged that the affordable housing built by WAG was sufficient to allow for the distribution housing funds, however the Agency did not enter into a tax increment reimbursement agreement with WAG. The affordable housing built by WAG was considered as part of a previous tax increment reimbursement agreement with the master developer for the southern portion of the project area, however that agreement has been terminated and the housing funds were not disbursed.

Matt Dahl said in 2009 RDA and Arbor Gardner entered into a tax increment agreement for all of the land south of 7200 South. As part of the agreement, the City takes a cut and sets aside approved development expenses in the project area that would be reimbursed to them over time. The expenses for any form of development that occurred there would be related to any other development feature that would be beyond the norm because of the site conditions in the Bingham Junction area. We indicated to them that they only build commercial and we would reimburse them 80% of the tax increment in that project area. However, if they were able to provide a certain number of residential units, that then would give them access to the additional 20%. It doesn't necessarily grow the amount they are able to collect. It gives them that extra percentage they can collect on an annual basis so they can be paid off sooner. The City is only in that agreement with Arbor Gardner.

In addition to this deal, there was a side agreement that the City is not a party of, that was between Wasatch Advantage Group and Arbor Gardner. As part of that deal, Arbor Gardner through this transaction, owed Wasatch Advantage Group \$533,000. In addition to that, per our agreement, they were allowed the approved expenses from both Arbor Gardner and Wasatch Advantage Group to be added to the approved expenses. The way the funds would be paid off in the side agreement, was that Arbor Gardner would receive 55% of the tax increment that was generated, and Wasatch Advantage would receive 45% of the tax increment that was generated, until the \$533,000 was paid off. Once that was done, then they would switch to an 80/20 split until all of the approved expenses were paid off with 80% going to Arbor Gardner and 20% going to Wasatch Advantage Group. There was confusion and issues that arose that led us to the point that Wasatch Advantage Group was never reimbursed any funds. As far as the approved expenses go, only the Arbor Gardner expenses were included in the approved expenses. Part of the reason is as we look at the payments, Arbor Gardner requested that the RDA make the payments of 45% distribution to Wasatch Advantage Group and 55% went to Arbor Gardner. Those payments led to us believing that the \$533,000 obligation went away in 2018. At that point everything would go to Arbor Gardner. In 2019 when it came

time to make our annual distribution, Wasatch Advantage Group contacted us to see why they hadn't been paid the distribution. They were confused because Arbor Gardner had asked the City to make the payment so they thought they would continue to receive it. Staff is proposing that had they submitted invoices to Arbor Gardner, that two million dollars would have been included in the approved expenses that the City would have had to pay. Because they didn't do that and there was confusion on their part on what funds they were receiving. The 20% for housing expenses would have been included in the expenses, staff feels that it is reasonable but not required.

Council Member Paul Glover asked if they have provided proof of the units.

Matt Dahl said yes, they have provided proof of the units and copies of the invoices and payments for the reimbursement expenses.

Council Member Bryant Brown said in the future the City should be put in that position.

Matt Dahl said staff is looking at ways to make sure some of these issues are not recreated.

Council Member Dustin Gettel agreed.

Matt Dahl said the reason staff recommends doing this is that it is related to providing affordable units that our city needs as well as it is in a mixed income community.

Council Member Dustin Gettel said he was having trouble keeping the entities straight.

Matt Dahl said there will be different partnerships. A similar thing will happen with Jordan Bluffs.

Council Member Paul Glover asked how fast the City reimburses them.

Patrick O'Brien said the payment term will be for the rest of the term for the project area. He anticipates paying \$200,000 per year. If the tax increment doesn't reach the full \$200,000, they will still receive the full 20% of the housing that is generated.

Council Member Paul Glover asked what they were not reimbursed if they could change the development to something different.

Patrick O'Brien said that they have housing tax credits tied to this.

Staff will be prepared to discuss the proposed tax increment reimbursement agreement and provide further information for the RDA Board.

V. 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 9:12 p.m.

Rori L. Andreason, MMC
City Recorder

Approved this 3rd day of December 2019.

PENDING



Redevelopment Agency of MIDVALE CITY SUMMARY REPORT

MEETING DATE: DECEMBER 10, 2019

SUBJECT: First Amendment to the FY2020 Budget

SUBMITTED BY: Matt Dahl, Assistant City Manager

SUMMARY: On June 18, 2019, the Board of Directors of the Redevelopment Agency of Midvale City ("Agency") adopted the Fiscal Year 2020 Budget ("FY2020 Budget"). Subsequently, in September 2019 the Board of Directors approved hiring of a new full-time employee in the RDA. The approved position is an RDA Manager that would be responsible for planning, organizing, and coordinating the day-to-day operations of the Redevelopment Agency of Midvale City, including staff supervision and project management. The annual fiscal impact of that position was set not to exceed \$123,739, including salary and benefits. Staff is currently in the process of hiring for the position, but it is not anticipated that it will be filled until January 2020. Given this timing and the hiring pay range, staff is seeking to amend the FY2020 Budget by increasing the RDA Operations budget by \$60,000, with a corresponding reduction in the Bingham Junction Project Area Budget.

Staff will be prepared to discuss the proposed budget amendment during the December 3rd RDA Board Meeting. It is anticipated that a public hearing for the proposed amendment will occur on December 10, 2019.