



7505 South Holden Street
Midvale, UT 84047
(801) 567-7200
www.midvalecity.org

REDEVELOPMENT AGENCY OF MIDVALE CITY MEETING AGENDA February 4, 2020

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold a regular meeting on the **4th day of February 2020** 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 January 21, 2020 [*Rori Andreason, H.R. Director/City Recorder*]

IV. ACTION ITEMS

A. Consider Resolution No. 2020-03RDA Approving a Tax Increment Reimbursement Agreement with Wasatch Residential Group [*Patrick O'Brien, RDA Housing Manager*]

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 31, 2020

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



REDEVELOPMENT AGENCY MEETING

Minutes

Tuesday January 21, 2020

Council Chambers
7505 South Holden Street
Midvale, Utah 84047

CHAIR: Robert M. Hale

BOARD MEMBERS: Board Member Bryant Brown
Board Member Dustin Gettel
Board Member Quinn Sperry
Board Member Heidi Robinson
Board Member Paul Glover

STAFF: Kane Loader, Services Director; Matt Dahl, Assistant City Manager; Rori Andreason, City Recorder; Lisa Garner, City Attorney; Kyle Maurer, Administrative Services Director; Glen Kennedy, Public Works Director; Chief Randy Thomas, UPD; and Jake Shepherd, Network Administrator.

Chair Hale called the meeting to order at 9:00 p.m.

I. GENERAL BUSINESS

A. **Roll Call - Board** Members Dustin Gettel, Paul Glover, Quinn Sperry, Bryant Brown, and Heidi Robinson were present at roll call.

II. PUBLIC COMMENTS

There was no one who desired to speak.

III. CONSENT AGENDA

A. **CONSIDER MINUTES OF JANUARY 7, 2020**

MOTION: Board Member Paul Glover **MOVED** to approve the consent agenda. The motion was **SECONDED** by Board Member Bryant Brown. 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 Bryant Brown	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

IV. ACTION ITEM

A. **CONSIDER RESOLUTION NO. 2020-02RDA AMENDING THE REQUEST FOR PROPOSALS TERM SHEET (RFP) FOR THE PROPERTY AND IMPROVEMENTS LOCATED AT 7697 SOUTH MAIN STREET**

Jessica Stephens said The Redevelopment Agency of Midvale City ("Agency") is proposing to amend the Request for Proposals ("RFP") terms sheet that was approved on October 2, 2018 to sell the building and land that is currently home to the Midvale Historical Museum ("Museum") on Main Street ("Property") in order to facilitate the redevelopment of the Main Street area. The Agency purchased the property from the City on August 23, 2018 for \$400,000 with the intent to redevelop the property after the relocation of the Museum.

City Council approved the RFP with the following terms: The price for the property and building will be set at \$400,000. Proposed designs shall incorporate high quality façade materials, adhere to all zoning code requirements, and utilize green building techniques in any improvements made to the building. Preference will be given to those proposals that provide neighborhood-oriented programming or services, significantly increase daily pedestrian activity, and contribute to the emergence of a Main Street activity center. Each RFP submission must include a project description, drawings, proforma, development budget, statement of qualification, financial capacity, and down payment.

A Selection Committee comprised of representatives of the RDA, City, and community. The Selection Committee will provide the Agency Board with a developer selection recommendation. The Selection Committee may recommend a first and second ranked developer, or no developer. The developer will be selected based on criteria including but not limited to, completeness of proposal, developer's vision, scope of development, development preferences, developer qualifications, and financing. The RDA Board will consider the Selection Committee recommendation and make the final selection.

The selected developer will go through a design review process that will require them to obtain approval for Basic Design, Schematic Design, Design Development, and Final Construction Documents for the proposed development.

The original term sheet set the date of issuance as November 15th, 2018. This date was based on the anticipated relocation of the Museum, which was stated in the term sheet to be May 2019. The construction of the new Museum location was delayed and so the issuance of the RFP was postponed until the Agency could confidently give developers a timeline for when development could begin. Based on updates to the construction of the new Museum location, the Agency is proposing to amend the RFP Term sheet to say the Museum will be relocated in August 2020 and the RFP will be released before February 21, 2020.

MOTION: Board Member Bryant Brown MOVED to Adopt Resolution No. 2020-02RDA Amending the Museum Property Request for Proposals Term Sheet and Authorizes the Marketing of the Property for Disposition. 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 Bryant Brown	Aye
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

V. ADJOURN

MOTION: Board Member Paul Glover MOVED to adjourn the meeting. Board Member Dustin Gettel 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 9:05 p.m.

Rori L. Andreason, MMC
City Recorder

Approved this 4th day of February 2020.



Redevelopment Agency of Midvale City Action Item

MEETING DATE: FEBRUARY 4TH, 2020

SUBJECT: Consideration of Resolution No. 2020-03RDA approving the terms for a Reimbursement Agreement with Wasatch Advantage Group authorizing the execution of a Tax Increment Reimbursement Agreement between the Redevelopment Agency of Midvale City and Wasatch Advantage Group

SUBMITTED BY: Patrick O'Brien, Housing Manager

SUMMARY:

Wasatch Advantage 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. Wasatch Advantage Group built 1124 units, with 290 of those units being affordable at 60% AMI or below. 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.

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. Tax increment funding generated from the project will be utilized to reimburse the overburden costs of the development that are outstanding.

The term sheet places the reimbursement cap at \$727,914.25. The Agency will reimburse the developer up to \$200,000 per year from the tax increment generated from the Housing Tax Increment. If the Housing Tax Increment is not sufficient to pay the entire \$200,000 in any year, then the reimbursement payment of that year will be limited to the amount of the Housing Tax Increment.

FISCAL IMPACT: The Developer is responsible for paying the initial costs of the 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 \$727,914.25

RECOMMENDED MOTION:

I move that we adopt Resolution No. 2020-03RDA approving the term sheet for a reimbursement agreement with Wasatch Advantage Group and authorizing the execution of a tax increment reimbursement agreement between the Redevelopment Agency of Midvale City and Wasatch Advantage Group.

ATTACHMENTS: Term Sheet; Resolution No. 2020-03RDA

REDEVELOPMENT AGENCY OF MIDVALE CITY, UTAH

RESOLUTION NO. 2020-03RDA

**A RESOLUTION AUTHORIZING THE EXECUTION OF A TAX INCREMENT
REIMBURSEMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF
MIDVALE CITY AND WASATCH ADVANTAGE GROUP**

WHEREAS, the Redevelopment Agency of Midvale City (the “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 Bingham Junction Project Area Plan on August 10th, 2004; and

WHEREAS, the Board of Directors of the Agency desires to encourage redevelopment within the Bingham Junction Project Area; and

WHEREAS, Wasatch Advantage Group (“Developer”) has developed 1124 units (“Property”) located in the Jordan Bluffs Project Area; and

WHEREAS, Wasatch Advantage Group has 290 affordable units as a part its development that provides affordable housing in Midvale; and

WHEREAS, the Agency, Developer and United States Environmental Protection Agency have adopted a Site Management Plan that outlines the means, methods and materials that are required for the development of the Property as a result of the Property’s unique environmental and geotechnical characteristics; and

WHEREAS, the means, methods and materials outlined in the Site Management Plan increased the cost to develop the Property; and

WHEREAS, the Developer has requested that specific costs associated with the development of the Property be reimbursed by the Agency with tax increment for the additional costs resulting from the requirements of the Site Management Plan as well as other related expenses; and

WHEREAS, the Agency supports the Developer’s provision of affordable housing units and is willing to provide a tax increment reimbursement to the Developer for approved costs; and

WHEREAS, the Developer and the Agency agree that the maximum reimbursement amount shall be Seven Hundred and Twenty Seven Thousand, Nine Hundred and Fourteen Dollars and Twenty Five Cents (\$727,914.25);

WHEREAS, the Board of Directors of the Agency and the Developer desire to enter into a reimbursement agreement that establishes the terms and conditions through which the Developer will be reimbursed.

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Board of Directors does hereby authorize the Chief Administrative Officer and Executive Director to approve the Term Sheet and authorize the execution of a Tax Increment Reimbursement Agreement with Wasatch Advantage Group based on that term sheet in

the form attached here subject to such other terms and conditions as recommended by the Agency's legal counsel.

PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY BOARD OF DIRECTORS, this 4th day of February 2020.

Robert M. Hale
Chief Administrative Officer

Kane Loader
Executive Director

ATTEST:

Rori L. Andreason, MMC
Secretary

	“Aye”	“Nay”
Voting by the Board of Directors:		
Bryant Brown	_____	_____
Paul Glover	_____	_____
Quinn Sperry	_____	_____
Heidi Robinson	_____	_____
Dustin Gettel	_____	_____

Term Sheet for a Reimbursement Agreement with Wasatch Advantage Group

Parties:	Redevelopment Agency of Midvale City, Utah (the “Agency”) and Wasatch Advantage Group LLC. (the “Owner”).
Project:	The Owner owns the following residential developments in the Bingham Junction Redevelopment Project Area (the “Property”): • San Moritz • Florentine Villas • Tuscany Villas • Talavera at the Junction • 7800 Lofts Arbor Gardner Bingham Junction Holdings, L.C. (“Arbor Gardner”) and the Owner have redeveloped certain property located in the Bingham Junction Redevelopment Project Area, including the Property. Redevelopment activities included the installation of utilities and site preparation activities, as well as the development of new residential buildings on the Property (the “Project”). Pursuant to a Reimbursement Agreement executed in 2015 by the Agency and Arbor Gardner (“2015 Reimbursement Agreement”), the Agency agreed to assist with these activities by reimbursing Arbor Gardner (or its assignee) a portion of the tax increment generated from the Project. The Owner constructed the Project but, inadvertently, neither the Owner nor Arbor Gardner had been paid anything with regard to the Project at the time the 2015 Reimbursement Agreement was terminated by mutual agreement last year. This Reimbursement Agreement is a partial replacement for the 2015 Reimbursement Agreement, so that the Owner can be reimbursed for a portion of its costs incurred in connection the construction of the Project as it should have been under the 2015 Reimbursement Agreement, had such agreement not been terminated.
Reimbursement Activities:	Prior to the execution of the Reimbursement Agreement, the Owner shall submit a request for reimbursement consisting of invoices with respect to the marginal additional costs incurred by the Owner in connection with the construction of the Project that were the result of the unique site conditions of the Property and of compliance with Institutional Controls established for the Property, together with evidence of payment of such costs (“Approved Costs”). Examples of permitted Approved Costs include, but are not limited to, the cost of helical piers, HDPE pipe, and repair or replacement of environmental mitigation features. The parties will need to agree on the total amount of the Approved Costs and on the sufficiency of the backup documentation for the Approved Costs before the Reimbursement Agreement will be executed.

Tax Increment:	1. The funding source for the reimbursement of Approved Costs shall be the Agency's housing allocation of the tax increment for the Property ("Housing Tax Increment"). 2. The use of Housing Tax Increment for the Approved Costs shall conform with the Bingham Junction Redevelopment Project Area Plan. 3. For purposes of calculating the Housing Tax Increment for the Project, the base value for the Property shall be \$1,000,000.
Reimbursement Payment:	1. The Agency shall only reimburse the Owner for the Approved Costs. 2. The total amount reimbursed by the Agency shall not exceed \$727,914.25 ("Reimbursement Cap"). 3. Assuming the Approved Costs are at least \$727,914.25, the Agency will make payments to the Owner each year, commencing in 2020, in an amount of up to \$200,000 (a "Reimbursement Payment"), until the Reimbursement Cap is reached. If the amount of the Housing Tax Increment is not sufficient to pay the entire \$200,000 in any year, the Reimbursement Payment for that year will be limited to the amount of the Housing Tax Increment. 4. The Agency shall provide Reimbursement Payments, after all conditions have been fulfilled, by the later of (a) March 31 following the applicable tax year or (b) thirty (30) days following Agency's receipt of all of the Housing Tax Increment from Salt Lake County. The initial Reimbursement Payment shall be made in 2020.
Reimbursement Term:	The term of the Reimbursement Agreement shall be from the date it is signed to the end of 2033 (the "Reimbursement Term"). Provided the Owner is in compliance with the Reimbursement Agreement, the Agency agrees to make one Reimbursement Payment annually for the Reimbursement Term, until the earlier to occur of (a) the Owner has been reimbursed for all Approved Costs, (b) the Owner has received Reimbursement Payments equal to the Reimbursement Cap, (c) the expiration of the Reimbursement Term, (d) the expiration of the Project Area Plan, or (e) the termination of the Reimbursement Agreement.
Initial Reimbursement Payment Conditions:	The Agency shall have no obligation to make the initial Reimbursement Payment until the following conditions have been satisfied: 1. The Owner shall be in compliance with all terms and conditions included in the Reimbursement Agreement. 2. The Owner shall have no delinquent property tax payments.
On-Going Reimbursement Payment Conditions:	1. The Owner shall have satisfied all of the conditions specified in the Reimbursement Agreement.
Reduction in Payment:	a. In the event that some, but not all, of the conditions are satisfied at the time a Reimbursement Payment is due, Agency may suspend a payment. The Owner shall have 6 months to satisfy any outstanding condition. In the event

	that the Owner does not satisfy the condition then Agency shall have no obligation to make the suspended payment for the period of time for which the condition was not satisfied. In such event, the Agency may decide to make a reduced payment in an amount which shall be in the Agency's sole discretion.
Subordination:	The obligation of the Agency to pay the Reimbursement Payments shall be subordinate to the Agency's payment of the following: (i) debt service on bonds or other indebtedness issued in relation to the Project Area and secured by a pledge of the Agency's Tax Increment, (ii) pre-existing reimbursement obligations; (iii) Agency's administration costs; and (iv) payment to the City for any outstanding Owner fees or Owner costs associated with the project.
Assignment and Transfer:	The Owner shall not assign or transfer any obligations or rights to the Reimbursement Agreement except as expressly permitted by its terms.
Indemnity:	The Owner shall indemnify the Agency and the City from any action or claim caused by the acts of the Owner.
Prepayment:	The Agency may elect at any time to prepay all or any portion of the amount owed by the Agency without consent of the Owner.
Miscellaneous:	Such other terms and conditions as may be agreed to by the parties.