



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

REDEVELOPMENT AGENCY OF MIDVALE CITY MEETING AGENDA May 19, 2020

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold a regular meeting on the **19th day of May 2020** at Midvale City Hall, 7505 South Holden Street, Midvale, Utah as follows:

Electronic Redevelopment Agency Meeting

This meeting will be an electronic meeting, without a physical location, pursuant to Midvale City Resolution No. 2020-R-11. As restrictions take place across the state for limiting public gatherings, the City wants to make sure everyone interested in participating in City Council Meetings can do so. The meeting will be broadcast on the following links:

You Tube: <https://www.youtube.com/channel/UCLDszK2kMUHuc3-b-V-BBslQ>

Mixlr and City website: <https://www.midvalecity.org/how-do-i/listen-to-publicmeetings>

If you would like to provide public comments, please email your comments to Lmagness@midvale.com or comment on Midvale City's Facebook page prior to the completion of the public comments portion of the meeting. You may also submit comments if the Mayor and City Council open a specific agenda item to public comment. These comments will be read aloud in the meeting and will be part of the public record.

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 submit their comment via email to Lmagness@midvale.com or on Midvale City's Facebook page prior to the completion of this portion of the meeting. Items brought forward to the attention of the Redevelopment Agency Board will be turned over to staff to provide a response outside of the Meeting.

III. CONSENT AGENDA

- A. Consider Minutes of May 5, 2020 [*Rori Andreason, H.R. Director/City Recorder*]

IV. ACTION ITEM

- A. Discussion and action regarding Resolution No. 2020-06RDA approving the terms for First Amendment to Tax Increment Reimbursement Agreement between Midvale RDA and Zions Bancorporation N.A. **[Patrick O'Brien, RDA Housing Manager]**
- B. Consider Resolution No. 2020- 07RDA Approving the terms for an Interlocal Agreement between the Redevelopment Agency of Midvale City and Midvale City for Use of and Repayment of \$5,500,00 Loan from State Infrastructure Bank **[Patrick O'Brien, RDA Housing Manager]**

V. DISCUSSION ITEM

- A. Discuss proposed amendments to the FY2020 Budget of the Redevelopment Agency of Midvale City **[Cody Hill, RDA Manager]**

VI. 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: MAY 14, 2020

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



REDEVELOPMENT AGENCY MEETING

Minutes

Tuesday May 19, 2020

Council Chambers
7505 South Holden Street
Midvale, Utah 84047

CHAIR: Robert M. Hale

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

STAFF: Matt Dahl, Assistant City Manager; Rori Andreason, City Recorder; Lisa Garner, City Attorney; Kyle Maurer, Administrative Services Director; Nate Rockwood CD Director; Glen Kennedy, Public Works Director; Laura Magness, Communications Director; Cody Hill, RDA Manager; Patrick O'Brien, RDA Housing Manager; and Juan Rosario, Systems Administrator.

Chair Hale called the meeting to order at 9:45 p.m.

I. GENERAL BUSINESS

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

II. PUBLIC COMMENTS

There was no one who desired to speak.

III. CONSENT AGENDA

A. CONSIDER MINUTES OF MAY 5, 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 ITEMS

A. DISCUSSION AND ACTION TO CONSIDER RESOLUTION NO. 2020-06RDA APPROVING THE TERMS FOR FIRST AMENDMENT TO TAX INCREMENT REIMBURSEMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND ZIONS BANCORPORATION N.A.

Patrick O'Brien said The Agency has been in discussion with Zions Bancorporation and the Gardner Company regarding the development of 400,000 square foot of commercial office space on a 19.5-acre site within the Jordan Bluffs Project Area.

It is the developer's intent to build a parking structure as a part of the previously agreed development. The overall development will provide financial and economic benefits to the City, as well as providing a development with a high-quality design that provides technologically advanced features for energy and environmental design. The Agency intends to utilize funds from the State Infrastructure Bank to support the development of the parking structure.

Tax Increment generated from the project will be used to repay this loan and the accrued interest. Agency staff has negotiated a proposed amendment to the Tax Increment Reimbursement Agreement (attached) that details the proposed amended terms of the reimbursement agreement. The reimbursement cap remains at \$9,000,000. Staff proposes the following amendments to the TIRA:

These proposed amendments to the Original Agreement are believed to be beneficial to both the Owner and the Agency. The amendments include:

1. Changing the Silver LEED certification requirement. Instead of obtaining the certification from the U.S. Green Building Council (the process for which is complex and expensive), the Owner would be required to have a qualified architect certify that the building qualifies for, at a minimum, Silver LEED Certification. Staff believes the same benefits to the community of the project meeting the Silver LEED standards can be obtained at a lower cost to the project by making this change.

2. Replacing the minimum employment condition (1,500 full time, benefited employees) for eligibility for \$1,000,000 in Tax Increment. Owner shall be eligible to begin receiving the \$1,000,000 previously approved as part of the employment incentive as a part of the \$9,000,000 overall incentive once the parking structure and office building are complete.

As part of qualifying for the \$1,000,000, Owner will be obligated to construct a parking structure with standards in accordance with specified minimum design standards. Design guidelines will be prepared by the CD Director and agreed to by Owner and RDA prior to execution of the agreements.

3. Adding a reimbursement amount from the Agency of up to \$5,500,000 to support the construction of the parking structure. The reimbursement would be funded by the proceeds from a loan from the City to the Agency ("UDOT Loan"). The City will be able to fund the loan to the Agency from the proceeds of a loan from the State Infrastructure

Board to the City. The Agency will be able to repay the loan to the City from the tax increment generated by the project. The Agency will not be obligated to make the reimbursement payment until the parking structure is completed.

(a) The Agency will disburse the full amount of \$5,500,000 to Zions for use in completing the parking structure upon satisfaction of the following requirements:

- (1) Copies of paid invoices relating to the construction of the parking structure in excess of \$5,500,000; and
- (2) Evidence or certification by Owner's representative (Gardner) that Owner has spent \$100,000,000 on the acquisition of the Site and the construction of the office building and parking structure. City to pay the \$5,500,000 within 30 days of Owner's satisfaction of the foregoing two requirements. The estimated cost of the parking structure is \$11,200,000. The \$5.5 million payment to Owner is for just under 50% of the cost of the parking structure.

(b) The obligation to make annual payments to reimburse the Owner up to \$9,000,000 under the Original Agreement from tax increment will be subordinate to the Agency's receipt of tax increment sufficient to pay the Agency's debt service to the City each year.

(c) The Reimbursement Term shall be lengthened to 2042.

(d) The UDOT Loan under existing UDOT regulations will be limited initially to 10 years. Owner and Agency agree to work together to advocate for UDOT amending its regulations to allow for 15-year term loans so that the UDOT Loan may be modified to a 15-year term.

If the UDOT Loan is not amended to be a 15-year term by the end of 2020, then the Developer's Share of increment under the TIRA shall increase from 48% to 52%. If, however, the UDOT Loan is amended to a 15-year term, the Developer's Share of increment shall remain 48%.

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

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 remain at \$9,000,000. Additional tax increment generated from the project will be utilized to repay the SIB Loan of \$5,500,000 and the associated interest (total \$7,028,476 P&I). Therefore, the total contribution by the RDA to the project will be \$16,028,476 which is the combination of the \$9M reimbursement and the repayment of principal and interest by the RDA of the SIB Loan. The total increment amount used for the \$9M reimbursement and the repayment of the \$5.5M loan will not exceed 48% of increment in any given year under the 15-year SIB loan scenario and will not exceed 52% under the 10-year SIB loan scenario.

Under UDOT administrative rule, loan terms are permitted over 10 years in contrast to the state code loan where a legislative change permits loan terms to be up to 15 years.

Board members Dustin Gettel and Bryant Brown expressed their concern with the change in one of the terms regarding the number of employees for the building.

Mr. Jedd Pierson, Zions Bank, stated there is no change in the number of employees they will have. In fact, they are more concerned with fitting all of the employees in the building. There will be at least 1500 employees with some working remotely due to the COVID.

MOTION: Board Member Dustin Gettel MOVED to approve Resolution No. 2020-06RDA approving the term sheet for First Amendment to Tax Increment Reimbursement Agreement between Midvale RDA and Zions Bancorporation and authorizing the execution of a tax increment reimbursement agreement between the Redevelopment Agency of Midvale City and Zions Bancorporation. The motion was SECONDED by Board Member Heidi Robinson. 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.

B. CONSIDER RESOLUTION NO. 2020-07RDA APPROVING THE TERMS FOR AN INTERLOCAL AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND MIDVALE CITY FOR USE OF AND REPAYMENT OF \$5,500,000 LOAN FROM STATE INFRASTRUCTURE BANK

Patrick O'Brien said the Agency intends to receive a loan from the City of up to \$5,500,000 to support the construction of a parking structure as part of the Zions project. The City will be able to fund the loan to the Agency from the proceeds of a loan from the State

Infrastructure Board (SIB) to the City. The Agency will be able to repay the loan to the City from the tax increment generated by the developer from the Zions project.

The agreement terms have been prepared by City and Agency staff and reviewed by Tom Berggren of Jones Waldo. Staff recommends adopting the resolution establishing the terms for the Interlocal Agreement as stated in Midvale City Redevelopment Agency Term Sheet for Loan and authorize the Agency Board Chair to execute the Interlocal Agreement.

FISCAL IMPACT:

The SIB Loan is for \$5,500,000.00. The loan will be repaid (including accrued interest) through tax increment generated from the Zions Bancorporation project and is guaranteed by the City.

MOTION: Board Member Dustin Gettel MOVED to approve Resolution No. 2020-07RDA approving the term sheet and authorize the Agency Board Chair to execute the Interlocal Agreement between the Redevelopment Agency of Midvale City and Midvale City for a loan agreement. 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. DISCUSS PROPOSED AMENDMENTS TO THE FY2020 BUDGET OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY

Cody Hill said Agency staff proposes amendments to the FY 2020 Budget for the Bingham Junction RDA Fund and Jordan Bluffs RDA Fund. These amendments cover unanticipated expenses, balance revenues and expenses through transfers between funds, and account for higher than anticipated tax increment revenues. Funds transferred from Bingham Junction to the Jordan Bluffs redevelopment area were to cover cost related to the installation of traffic signals at the intersection of 700 W. and Bingham Junction Blvd. Tax increment collection has not yet been triggered in the Jordan Bluffs redevelopment area. All funds transferred from the Bingham Junction area to Jordan Bluffs will be repaid once tax increment is triggered and collections begin.

FISCAL IMPACT:

Bingham Junction RDA Fund – \$831,373 increase in Property Tax Revenue

Bingham Junction RDA Fund – (\$243,915) decrease in Contribution from Fund Balance

Bingham Junction RDA Fund – \$1,250 increase in Professional Services

Bingham Junction RDA Fund – \$540,809 increase in Development Reimbursement

Bingham Junction RDA Fund – \$83,399 increase in Transfer to Jordan Bluffs RDA Fund

Jordan Bluffs RDA Fund – \$83,399 increase in Transfer from other RDA funds

Jordan Bluffs RDA Fund – \$83,399 increase in Infrastructure

MIDVALE CITY REDEVELOPMENT AGENCY - BUDGET OPENING # 1 - FY 2020

Description	A/C#	YTD Amount	Budget	Remaining Budget	% of Budget	Recommend Budget Adjustment	Increase Decrease	New Budgeted Amount
Bingham Junction RDA								

Proceedings of the Redevelopment Agency of Midvale
City May 19, 2020

Property Tax Revenue	31-3110-000-000	7,431,373.00	6,600,000.00	(831,373.00	112.60 %	831,373	Increase	7,431,373
Interest Revenue	31-3610-000-000	122,919.00	116,000.00	4,055.10	96.50%			
Interest in Bonds	31-3610-100-000	157,369.00	-	(157368.28)	0.00%	300,000	Increase	300,000
IRS debt subsidy	31-3620-000-000	387,833.64	401,000.00	13,166.36	96.70%			
Contribution from Fund Balance	31-3890-000-000	-	20,697,500.00	20,697,500.00	0.00%	59,626	Increase	20,757,126
		8,099,494.64	27,814,500.00	19,725,980.18				
Professional Services	31-4102-310-000	1,250.00	-	(1,250.00)	0.0%	1,250	Increase	1,250
Surrounding properties P/Y	31-4102-754-001	-	334,500.00	334,500.00	0.0%			
Developer reimbursement	31-4102-760-000	2,006,350.00	900,000.00	(540,809.00)	160.10 %	1,106,350	Increase	2,006,350
County Storm Drain Conrib	31-4102-790-001	15,000.00	15,000.00	-	100.00 %			
Public Art P/Y	31-4102-790-004	25,000.00	148,400.00	123,400.00	16.80 %			
Infrastructure imprvmnts C/Y	31-4102-790-006	-	461,400.00	461,400.00	0.0%			
Infrastructure imprvmnts P/Y	31-4102-790-009	-	224,500.00	224,500.00	0.0%			
Infill dev. Incentives	31-4102-790-010	-	940,000.00	940,000.00	0.0%			
Debt service principal	31-4102-810-000	20,618,000.00	20,618,000.00	-	100.0 %			
Interest on bonds	31-4102-820-000	2,710,722.40	2,710,800.00	77.60	100.0 %			
Transfer to Admin	31-4102-910-100	719,083.00	862,900.00	215,725.03	75.00 %			
Transfer to city wide Housing	31-4102-910-200	416,666.00	500,000.00	124,999.97	75.00 %			
Transfer to Jordan Bluffs Project	31-4102-910-300	61,666.00	74,000.00	18,499.97	75.0%	83,399	Increase	157,399
Transfer to Main St project	31-4102-910-500	20,833.00	25,000.00	6,250.03	75.00 %			
		26,594,570.40	27,814,500.00	1,907,293.60				
		(18,495,075.76	-	17,818,686.58				
Jordan Bluffs RDA								

Transfer from other RDA Funds	32-3880-000-000	61,666.00	74,000.00	18,499.97	75.00 %	83,399	Increase 157,399	
Contribution from Fund balance	32-3890-000-000	-	38,000.00	38,000.00	0.0%			
			61,666.00	112,000.00	56,499.97			
Infrastructure	32-4201-200-000	83,399.00	-	(83,399.00)	0.0%	83,399	Increase	83,399
Professional Services	32-4201-300-000	112,000.00	112,000.00	-	100.00 %			
		195,399.00	112,000.00	(83,399.00)				
		(133,733.00)	-	139,898.97				

VI. ADJOURN

MOTION: Board Member Paul Glover **MOVED** to adjourn the meeting. Board Member Heidi Robinson **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 10:17 p.m.


Rori L. Andreason, MMC
City Recorder

Approved this 2nd day of June 2020.

