



Military Installation Development Authority

Approved- MIDA Board Meeting Minutes March 17, 2020 @ 9:00 a.m.
Northfront Business Resource Center
450 Simmons Way
Kaysville, Utah

Board Members Present: Jerry Stevenson, Mark Shepherd, Gary Harter, Ben Hart*, Mike Ostermiller, Gage Froerer, Danny Goode

Board Members Excused: Stuart Adams

**Non-voting board member*

Agenda item (1) Welcome: Jerry Stevenson- Paul Morris

Agenda item (2) Motion to Approve minutes from 10/1/19.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer, Danny Goode vote “aye” in favor of approving minutes from 10/1/19. None are opposed.

Agenda item (3) Consideration of Resolution 2020-01 Extending the Property Tax Allocation for the Military Recreation Facility Project Area for an Additional 15 Years by Finding the Development will Produce a Significant Benefit.

Paul Morris (PM): Extell is increasing their investment, not based on new density, but on an expanded ski resort. That investment is much greater than what we originally contemplated and in order to provide a similar contribution we need to add 15 years. The law allows the board to add 15 years if they find that there is a significant benefit, and I think this dramatic increase in investment is a significant benefit. This allows us to add the extra 15 years to the tax increment.

Gary Harter (GH): I'd like Danny Goode to give his perspective on this.

Danny Goode (DG): The County Council had its reservations but now are comfortable with this direction that we are going.

Mike Ostermiller (MO): I'll make a motion we approve Resolution 2020-01.

Mark Shepherd (MS): Second.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer, Danny Goode vote “aye” in favor of resolution 2020-01. None are opposed.

Agenda item (4) Consideration of Resolution 2020-02 Approving Amendments to the Interlocal Cooperation Agreements with Wasatch County for the Military Recreation Facility Project Area

PM: This proposal does two things: Firstly, is spending the additional 15 years. In the agreement there is a 70/30 split. 30% of the first 25 years goes to the landowner to reimburse them for their infrastructure costs. The other 70% was for regional sorts of things. With the extra 15 years we're keeping that same 30/70 split but of the 30%, we are not proposing to give any of that to the landowners, instead, we want to use it to make the County whole in their property tax. 60% of the 30% will make the County whole on their property tax - plus 5%. The County Fire district is a separate entity that has its own property tax giving them 15%. The remaining 25% would remain with MIDA to invest in the project up there. Of the 30%, 60% to the County, 15% to the Wasatch County Fire district, 25% for MIDA to spend in the project area. Of the remaining 70% to continue in the reimbursement on the West side for major investments.

Secondly, is changing the waterfall. The Jordanelle Parkway is the priority and then the asphalt for the two underpasses. We are also proposing to set aside \$2 million dollars for the East side of these frontage roads. Extell obtained an easement on the South underpass that can be dedicated to the County for part of the frontage road. MIDA, as a governmental entity, would use that \$2 million to build the 3rd of a mile to go from the South portal to connect to the existing Hwy 319. We'll also be responsible for the North Portal on the East side.

Next, we propose to change the East side parking to West side parking because it makes more sense to do parking on the same side as the skiing. Extell will build the parking terrace, and \$8 million will go toward that project. We don't need the storm drain as a regional investment anymore- each of the property owners is taking responsibility for their own. Instead, it will be between MIDA and Wasatch County deciding how to spend that \$5 million. Then, Extell will take responsibility for doing the mountain improvements. If MIDA and Extell agree, we can use some of the incremental money from an increased investment on the Eastside from the Golf Academy and Condo to be able to help build. The Golf Academy is listed under F, and now it's listed under E. F is the catchall: Eastside and Westside trails and other recreational facilities. If there's any money left over under the existing agreement that we did not change, Wasatch County will decide how to spend that money.

JS: Danny you've probably been involved in this - do you have any comments?

DG: No, we understand the reason for this resolution.

MS: Motion to approve Resolution 2020-02.

MO: second.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer, Danny Goode vote "aye" in favor of resolution 2020-02. None are opposed.

Agenda item (5) Consideration of Resolution 2020-03 Approving an Amendment to the Interlocal Cooperation Agreement with the Wasatch County Fire District for the Military Recreation Facility Project Area

PM: This is for the Fire district. It's a separate legal entity we will need to do a separate interlocal agreement with the fire district where they get their 15% of the 30%.

DG: My Fire Chief and district manager and our chairman of the fire board, Steve Farrell, and our attorney for the fire board have asked me to re-table this item. They would like to review a few more of the details.

PM: That would be fine.

DG: My motion is that we table this item and cover it at a future meeting.

Gage Froerer (GF): Second.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer, Danny Goode vote “aye” in favor of tabling resolution 2020-03 and voting on it at another meeting. None are opposed.

Agenda Item (6) Consideration of Resolution 2020-04 Creating the Mountainside Resort Public Infrastructure District in the Military Recreation District Project Area and Adopting the Governing Document

PM: This is to create a subsidiary for MIDA. This is a better mechanism to do the financing rather than directly through MIDA. It is also superior because the PID will own the internal village streets that are public. The proposal is to have a subset of 3 board members be on the PID board. Gary Harter, Steve Farrell (Danny Goode plans to resign from the MIDA board) and Mike Ostermiller. The Executive Director (me) would be on the board. And the fifth member would be Kurt Krieg, Senior Vice President for Extell in Utah. There is a 30-day process and we are trying to get in the market now. Heather Kruse is MIDA’s manager for the project area and she would be the Executive Director of this district. Danny can we amend the resolution to say that whoever appears on the board would be the representative from Wasatch County? Because at the first meeting it might need to be you and then it can transition to Steve.

DG: Yes. I think that would be appropriate.

MO: Motion to approve resolution 2020-04 as amended.

GF: Second.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer, Danny Goode vote “aye” in favor of Resolution 2020-04 as amended. None are opposed.

Agenda Item (7) Consideration of Resolution 2020-05 Approving the Mountainside Road Plat in the Military Recreation Facility Project Area.

PM: This subdivision plat only lays down public roads that will be financed by the PID. This is the backbone of the road inside the village. It was reviewed by the DRC, and it was recommended for approval subject to certain conditions i.e.: the speed limit is set at about 25 miles per hour and they recommended it be lowered. There are also places that the road grade would go over 10% to about 12%. That is allowed under our rules, if the board approves it. We are not going to finalize it until a committee of three traffic engineers have signed off on the final details. The plat has already been signed by the fire district chief.

DG: If the county thought that the road grade for example shouldn’t be increased, could we bring in a second board to discuss the resolution? I don’t think that would happen, but this is the type of issue that we contemplated that resolution board for.

PM: To me this is a technical issue. There is a committee of three traffic engineers and the final report is coming out next week. We have that mechanism to work out issues, but on this one we wanted to differ to the experts.

DG: If this ever turns into a disagreement, we like that we have that mechanism in place to challenge it.

GH: How are some of the things you are going to do with this new committee different than what I think we experienced with the Falcon Hill Development Review Committee? This looks like we are taking a separate piece out of there. Is that correct?

PM: No, the DRC recommended approval subject to making sure we have the signoff from the engineers so we're fulfilling one of the conditions and then bringing it to the board in this resolution. You are acknowledging that if the technical experts say it's ok, you are willing to waive that 10%. This is in compliance with what we are doing in front of the DRC.

MS: Motion to approve Resolution 2020-05.

GF: Second.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer, Danny Goode vote "aye" in favor of Resolution 2020-05. None are opposed.

Agenda Item (8) Consideration of Resolution 2020-06 Approving the Condominium Plat for the MWR Hotel in the Military Recreation Facility Project Area

PM: This plat has been approved by the DRC. The condo is basically a vertical subdivision. There are commercial units that are in the convention space and 55 luxury condos on the top two floors. In the lobby there is going to be a separate condo unit that MIDA will own. It is basically a lounge for the military and an MWR office. The Air Force wanted a minimum of 400 square feet and Extell designed it at 1200 square feet.

Kurt Krieg (KK): We did this to create three different areas. An office, a conference space, and lounge which is a common area for the concierge portion.

PM: This is the mechanism so they can sell condo units as well as donate the condo unit to MIDA.

GH: I make a motion that we adopt resolution 2020-06.

MO: Second.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer, Danny Goode vote "aye" in favor of Resolution 2020-06. None are opposed.

Agenda Item (9) Consideration of Resolution 2020-07 Authorizing C-PACE Bonds for the MWR Hotel in the Military Recreation Facility Project Area

PM: C-PACE stands for Commercial Property Assessment Clean Energy. The legislation was written to incentivize property owners to either retrofit existing properties (or new construction) to do energy efficient and energy renewable types of construction. If approved, the leasehold interest in the MWR hotel would be assessed and the proceeds of that assessment would be used to enhance the building. The payment would come from operational savings. This would allow MIDA to issue C-PACE bonds up to 85 million dollars. This does not come from any of the tax increment or from the development fund.

KK: There are three different models in the capital stack. 20% is equity and 65% is traditional construction loan debt. C-PACE bonds are only one portion of the capital stack to make this building work.

MO: I'll make a motion to approve resolution 2020-07.

MS: Second.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer vote “aye” in favor of Resolution 2020-07. Danny Goode abstains from voting due to not having enough information about C-PACE bonds. None are opposed.

Agenda Items (10-12) Consideration of Resolutions 2020-08, 2020-09, 2020-10 Appointing Mike Davis, Max Covey, and Ryan Stark to the Development Review Committee

GF: I’ve got to step away.

JS: We’ve got a quorum so we will go ahead and vote on the next three items.

Gage Froerer exits the meeting.

PM: Our DRC has been down a few members. We had Steve Issowitz he was with Deer Valley- and he resigned due to a conflict of interest. The previous manager of the JSSD left and Max Covey is the new director. We also had Paul Wilson on but the county created a full time position that is the “MIDA Coordinator” and so we would like to have that person on the DRC, and Mike Davis who is the longtime county manager, who is an engineer, has chosen to take the position.

DG: Paul, the county has not made a decision on the MIDA coordinator yet because there is a process in place. However, I think he would be a good member of the DRC.

PM: My apologies. And then Ryan Stark, who lives in the community and was the economic development director for Wasatch County, he now works for GOED, but he brings that economic development side to it.

JS: I believe these resolutions that we are considering- would appoint Mike Davis, Max Covey, and Ryan Stark to the DRC. Danny you are saying that would be ok to go ahead and appoint him to the committee?

DG: Yes. For the record, I presented Ryan Stark’s name twice to our County Council and twice our County Council has not approved him, but I think that Ryan is a good addition. I make a motion that we approve Resolutions 2020-08, 2020-09, 2020-10.

MS: Second.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Danny Goode vote “aye” in favor of Resolutions 2020-08, 2020-09, 2020-10. None are opposed.

JS: We will not consider any other items on the agenda.

PM: For the record, the interlocal agreement assumes that MIDA will do the resort communities tax, energy tax, transient room tax, and telephone tax. Some of those taxes- the resort communities tax- go into the development fund. The others that I just mentioned, go into the municipal services revenue fund, and that is critical because they are picking up a tax revenue that cities get but not counties. The challenge is that that the resort communities tax is based on a ratio of hotel rooms to permanent residents. There are no residents yet but there are no hotels yet either, so it became a little trickier to draft it. Same with the transient room tax. I need to look at how to make it work with the law, and the effective date.

GH: Are there any updates on Falcon Hill?

PM: Northrup Grumman requested the SDL for the second building. The plan is to submit it to the Falcon Hill Development Review Committee in April and then we will have it on the agenda for the May meeting for the MIDA board to approve. Some executives are going to be able to move into the first building in April.

Taylor Woodbury (TW): We need to bring 15 megawatts of power to the site for the second building; that is a significant upgrade to the power structure. We are also going to be meeting as a group to talk about 5600 south. The plan that UDOT came up with may not have HAFB sign-off. Anything we could do to improve traffic would be great.

PM: We got 20 million dollars for the 1800 north interchange. MIDA will do the environmental work, tear down the old rail yard DGRC facilities, do the environmental cleanup, trade the property, receive it from the Air Force, trade it to UDOT, and UDOT would then build the new interchange. With the remainder of the money, MIDA would then build the gate. This will save Utah taxpayers 10 million dollars. The other thing from Falcon Hill is that Weber will take over the USTAR building. So, the three million did get funded and we will work out a purchase agreement.

Jerry Stevenson, Mark Shepherd, Gary Harter, Mike Ostermiller, Danny Goode vote “aye” in favor of adjourning the meeting. None are opposed.

Meeting is adjourned at 10:06 a.m.

Next board meeting- Tuesday May 5, 2020.

Those in attendance: Cory Shupe, David Williamsen, Brett Christensen, Ariana Farber, Ashley Burr, Paula Eldredge, Brooke Hontz, Roger Henriksen, Kurt Krieg, Mike Wagstaff, Heather Kruse, Bret Wahlen, Paul Morris, Detlef Galke, Taylor Woodbury.

NOTICES

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