

**City of South Salt Lake Redevelopment Agency  
AGENDA**



I, Portia Mila, Redevelopment Agency Chair, hereby determine that conducting the RDA meeting at an anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location. The World Health Organization, the President of the United States, The Governor of Utah, the County Health Department and Mayor, and the Mayor of South Salt Lake City have all recognized a global pandemic exists related to the new strain of the coronavirus, SARS- CoV-2. Due to the State of emergency caused by the global pandemic, I find that conducting a meeting at an anchor location under the current state of public health emergency constitutes a substantial risk to the health and safety of those who may be present at the location.

Dated: September 3, 2020

Signed: \_\_\_\_\_ /s/ Portia Mila

Public notice is hereby given that the City of South Salt Lake Redevelopment Agency will hold an electronic meeting on **Wednesday, September 9, 2020**, via Zoom, see log in information attached, commencing at **6:00 p.m.**, or as soon thereafter as possible.

Conducting: Portia Mila, RDA Chair

**Motion for Closed Meeting**

Closed meeting held pursuant to Utah Code Annotated, 1953, as amended, Sec 52-4-204, Sec 5-4-205 (1) (c) et seq. for the following purposes: Strategy session to discuss pending or reasonably imminent litigation

**Opening Ceremonies**

1. Roll Call

**No Action Comments**

1. Bills, Claims, and Communications
2. Report of the Executive Director

**Approval of Minutes**

August 12, 2020

**Unfinished Business**

1. Discussion Regarding the Refinancing of the Series 2010 Qualified Redevelopment Bond – Randy Sant & Kyle Kershaw

**Adjourn**

Posted September 4, 2020

Those needing auxiliary communicative aids or other services for this meeting should contact Craig Burton at 801-483-6027, giving at least 24 hours' notice

**CITY COUNCIL**

**MEMBERS:**

LEANNE HUFF  
COREY THOMAS  
SHARLA BYNUM  
PORTIA MILA  
SHANE SIWIK  
NATALIE PINKNEY  
RAY DEWOLFE

220 E MORRIS AVE  
SUITE 200  
SOUTH SALT LAKE CITY  
UTAH  
84115  
P 801.483.6027  
F 801.464.6770  
TTY: 711  
SSLC.COM

Please click the link below to join the webinar:

<https://zoom.us/j/92269909253?pwd=U3FMWFkvZkFWMWVjdW5vbUU1c1BVZz09>

Passcode: 643001

Or iPhone one-tap :

US: +13462487799,,92269909253# or +16699006833,,92269909253#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 669 900 6833 or +1 253 215 8782 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592 or 888 475 4499 (Toll Free) or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free) or 877 853 5257 (Toll Free)

Webinar ID: 922 6990 9253

International numbers available: <https://zoom.us/j/92269909253?pwd=U3FMWFkvZkFWMWVjdW5vbUU1c1BVZz09>

CITY OF SOUTH SALT LAKE REDEVOLEPMENT AGENCY  
MINUTES OF MEETING HELD  
September 9, 2020

Date/Time/Place Wednesday, September 9, 2020  
6:43 p.m.  
220 East Morris Avenue #200  
South Salt Lake, Utah 84115

Conducting LeAnne Huff

**DIRECTORS PRESENT:**

Sharla Bynum, Ray deWolfe, LeAnne Huff, Portia Mila, Natalie Pinkney,  
Corey Thomas and Shane Siwik

**DIRECTORS EXCUSED**

**STAFF PRESENT:**

Mayor Cherie Wood  
Hannah Vickery, City Attorney  
Randy Sant, Economic Development Consultant  
Kyle Kershaw, Finance Director  
Terry Addison, Fire Chief  
Alex White, Community Development Director  
Craig Burton, City Recorder  
Ariel Andrus, Deputy City Recorder

**Opening Ceremonies**

**1. Roll Call.**

**No Action Comments.**

**1. Bills, Claims, and Communications.** None.

**2. Report of the Executive Director.** None.

**Approval of Minutes**

August 12, 2020

Director deWolfe moved to approve these minutes.

MOTION: Ray deWolfe  
SECOND: Sharla Bynum

Roll Call Vote:

Bynum: Yes  
deWolfe: Yes  
Huff: Yes  
Mila: Absent  
Pinkney: Yes  
Siwik: Yes  
Thomas: Yes

**Unfinished Business**

- 1. Discussion Regarding the Refinancing of the Series 2010 Qualified Redevelopment Bond.** Economic Development Consultant, Randy Sant, reviewed a memo with the Board. A copy is attached and incorporated by this reference.

Finance Director, Kyle Kershaw, explained there is good reason to refinance the bond because it will save the city \$200,000 to \$400,000 annually. The only question is whether to have the term of the bond end in 2030 or 2035. When the bond was originally issued in 2010 some state legislation was enacted that allowed the city to levy a city option sales tax at .2 percent. That allowed the city to have the funding available to pay the debt on the bonds. The term of the city option authorization ends in 2030. If the city decided to go out to 2035 there is no guarantee that the .2 percent city option authorization would be extended to those five years and the city's funding mechanism they've been using to make the debt service payment would be in question. That is the issue he believes the Board should deliberate over. If they do extend they get more cash flow but there's no guarantee that they have a dedicated revenue source for the last five years. The true savings is actually a little better at the 2030 redemption.

Mr. Sant reviewed the next steps portion of the memo with the Board. He agreed with Mr. Kershaw that the 2030 date gives the best savings but he suggested it may be worthwhile to see if there is any advantage in the market if there is a little longer term.

Mr. Kershaw explained the reason they are doing this on an accelerated schedule is because they can only petition to refinance two times a year on their payment anniversary. So it is either on, or before, November 1 or on, or before, May 1. Everybody's in agreement to do November 1 because of the general election. The markets don't like uncertainty and the elections always throw an element of uncertainty into them. There is no telling what is going to happen to interest rates in between November and May of next year. If they get in before Election Day and get priced they beat the uncertainty that will probably enter the markets later in the year.

Mr. Sant added that their financial advisors have indicated this a good time to enter the market.

Director deWolfe is very supportive of this. He asked if the extra cash flow is worth it versus the overall savings and the unknown of the last five years in the 2035 term plan.

Mr. Kershaw said he would lean in favor of doing the 2030 financing since they will be losing their funding source if they go to 2035.

Mr. Sant said the reason they want to wait and see what the financial adviser can do is because they want to direct place it. They don't want to go out to a public offering. It saves time and money. He does agree with Mr. Kershaw, unless the financial adviser comes back and tells them there's an advantage to the 2035 term.

Director Siwik agreed with Mr. Kershaw.

Director Mila agreed as well.

Mr. Sant requested the the RDA hold a special meeting on September 23, 2020 so they will have time to get everything accomplished by the first of November.

The Board decided to hold a special meeting at 7:00 p.m. on Wednesday, September 23, 2020.

Director Huff made a motion to adjourn.

MOTION: LeAnne Huff

SECOND: Sharla Bynum

Roll Call Vote:

Bynum: Yes

deWolfe: Yes

Huff: Yes

Mila: Yes

Pinkney: Yes

Siwik: Yes

Thomas: Yes

The meeting adjourned at 7:10 p.m.

/s/ Portia Mila  
Portia Mila, RDA Chair

/s/ Craig D. Burton  
Craig D. Burton, Secretary

**REFINANCING OF THE EXCISE TAX AND TAX INCREMENT  
REVENUE BOND< SERIES 2010**

**BACKGROUND:**

In 2010 the RDA issued a 15-million-dollar bond for the purpose of using the bond proceeds to purchase the land, and related costs for the WinCo development and surrounding uses. We also used some of the proceeds to cover infrastructure costs. The bonds were initially issued as a federally taxable bond with an interest rate of 6.65%. In 2015, our RDA financial advisor, Lewis Young, came across another option that had been released called a private activity bond and recommended the agency investigate this option. The bond was subsequently converted to a tax-exempt bond, at an interest rate of 4.42%, which resulted in a savings of thousands of dollars to the city and RDA, by a reduction in the bond payment. This was the first qualified redevelopment bond issued in the State, and to my knowledge the only qualified redevelopment bond in existence in the State. The bond was issued under the private activity rules of the IRS, and has some restrictions that had to be met when the bond was issued, this include a blight finding, and the need of a RDA project area of 100 acres, our RDA projects, market station and central pointe, met the requirements. The series 2010 bond had been structured by our financial advisor, with a conversion feature that allowed the City/RDA to gain the benefit of the lower cost tax-exempt bonds once the IRS authorization was obtained. This occurred in 2015.

This bond has a redemption clause, that allows for the option to redeem, not more than \$10,000,000 on or before November 1, 2020 at a price equal to the par amount of the series 2010 bonds, plus any accrued interest to the redemption date. Our finance director Kyle Kershaw noticed this in his review of the bond documents and recommended we should meet with the financial advisor to determine if this would be a good time to act upon the redemption and refinancing of the bond.

We had two meets with the bond counsel that assisted us in the issuance of the private activity bond, and our financial advisor. The first meeting was to investigate if the private activity bond could be refinanced, subject to the conditions established by the IRS for this bond., and would those condition apply to a refinanced bond. The bond counsel issued an opinion that many of the IRS conditions would not be applicable to a refinanced bond, other that the tax restrictions applying to the use of the property, which we have already complied with, base on the development of the property. The second meeting was to determine if this bond were a good candidate for refinancing and would provide economic savings to the RDA and City. It was determined that the bond met the requirements of a refinance, but an analysis would be required to determine the refund restructure and the potential savings.

**ANALYSIS OF THE STRUCTURING ALTERNATIVES AND ECONOMIC SAVINGS**

The true interest cost of the Series 2010 bond is 4.42%. To the extend that the series 2010 bonds could be funded at a lower true interest cost, the RDA will realize savings in its annual debt service requirements. This was the purpose of conducting the structure analysis. In addition, the analysis needed to look at the current bond markets and determine when would be the best time to refinance. Our concern was if the onset of COVID-19 had impacted the market, and if so, had it stabilized. The financial advisor has done the research and has recommended that now would be the best time to

proceed with a refinancing. Their research indicated that the bond market is stable and there are interested buyer looking for opportunity to purchase both tax-exempt and taxable bonds. Their research indicated that the ideal time is to refinance the bond prior to the November 3<sup>rd</sup> election. In addition, their study showed that the RDA could save \$200,000-\$400,000 annually on the debt service payments. The difference in the savings amount would depend on the length of the re-financed bond. The following table details the comparison of the annual debt service for the Series 2010 Bond compared to the projected debt service for the Series 2020 bond structured with a final maturity on November 1,2030, or with a final maturity on November 1,2035. The projected Net Present Value Savings is shown both in a percentage and a dollar amount.

Fiscal Year	Series 2010 bond	Series 2020 w/2030	Series 2020 w/2035
2021	1,290,648	221,599	215,315
2022	1,220,840	1,030,625	813,375
2023	1,240,590	1,064,000	813,128
2024	1,257,910	1,069,750	816,750
2025	1,277,688	1,087,875	814,250
2026	1,299,704	1,113,000	815,625
2027	1,323,736	1,134,878	810,875
2028	1,349,563	1,163,250	810,000
2029	1,376,965	1,187,875	812,750
2030	1,400,831	1,213,625	809,125
2031	1,430,940	1,240,250	809,125
2032	-	-	807,625
2033	-	-	809,500
2034	-	-	808,625
2035	-	-	808,000
2036			804,625
<b>TOTAL</b>	<b>14,469,414</b>	<b>11,526,724</b>	<b>12,378,690</b>
<b>GROSS SAVINGS</b>		<b>2,942,689</b>	<b>2,090,724</b>
<b>NPV SAVINGS ( %)</b>		<b>19.08%</b>	<b>15.13%</b>
<b>NPV SAVINGS ( \$ )</b>		<b>2,019,430</b>	<b>1,601,057</b>

The above clearly shows that a refinancing of the bond will result in a savings to the agency. The decision is what maturity date should the bond be. The 2030 date was selected in the original bond, because this is the date the .02% of the sales tax sunsets, unless the sunset is eliminated by the State legislature. If the later maturity date is selected, than another revenue pledge would need to be consider after 2030. This could be sales tax, franchise tax, or redevelopment tax increment.

## **NEXT STEPS**

**Assuming the board is willing to move forward with the bond refinancing;** there are several steps that need to be taken when bonds are issued or refinanced. These steps include:

- obtaining a waiver from current holder to allow the RDA to redeem all outstanding bonds
- Preparing a parameters document, that includes the maximum par amount of bonds to be issued, maximum maturity date and coupon rate, and maximum discount.
- preparing the parameters resolution and related bond documents
- selecting a finance team for pricing of bond
- preparing bond documents for the financing team, which includes preliminary official statement, supplemental indenture
- adoption of the parameter resolution by the RDA board
- prepare and publish a notice of the intent to issue bonds( starts a 30-day public contestability period)
- sending the required notice to the current bond holder of our intention to redeem the bonds
- selecting an underwriter if the bonds are to be a public issuance
- preparing a ratings presentation if a public issuance is required
- meeting with rating agency's if a public offering is required
- hold a pre-pricing meeting if a public offering is required
- pricing and sale of the bond if a public offering is required
- preparation of final closing documents
- closing on the bond

I have also attached a calendar of the events that shows the dates and the parties responsible for preparing documents. As you can see from the attached calendar, most of the steps are the responsibility of the retained bond counsel and the financial advisor. The RDA will be involved in the rating process, adoption of the parameters resolution, selection of an underwriter, review of documents, and the pricing of the bonds. If the bond can be placed privately( which is the preferred method), many of the steps are eliminated, and significant costs can be saved in the issuance of the bond. We have requested the financial advisor to begin immediately on finding a potential private placement. The biggest deterrent to this option is the large par amount of the bond we are refinancing. One item we recommend the RDA board consider is the pricing committee. Kyle and I recommend this committee include the executive director, the RDA chair and Vice Chair, and the city financial director. The parameters resolution will most likely require that there be 3 members of the committee available when the pricing step is ready.

Again, the reason we want to consider this refinancing is due to the annual savings we can obtain. We have a time crunch, due to the requirement of a November 1, redemption date, and the knowledge that our financial advisor has that the current bond market is stable and interest rates result in a savings. If we delay, we are taking a risk that the future market will be stable and the same interest rates can be achieved in the spring of 2021. We are hopeful, that the board concurs with the administrative staff to move forward with the refinancing. Kyle and I look forward to discussing this with you on Wednesday evening.



**\$12,000,000<sup>1</sup>**  
**CITY OF SOUTH SALT LAKE**  
**REDEVELOPMENT AGENCY, UTAH**  
**(THE “AGENCY”)**

**EXCISE TAX AND TAX INCREMENT REVENUE REFUNDING BONDS**  
**SERIES 2020**  
*(Refunding of Excise Tax and Tax Increment Revenue Bonds, Series 2010)*

**CALENDAR OF EVENTS**  
(September 3, 2020)

SEPTEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

RDA Board Meetings
Bond Pricing
Holiday
Closing

DATE	EVENT	RESPONSIBLE PARTY	STATUS
Aug. 25	Discussion of refunding potential with Agency	RDA, LYRB	Completed
Sept. 1 (Tue.)	LYRB to furnish parameters to Bond Counsel <ul style="list-style-type: none"> <li>☐ Maximum Par Amount of Bonds</li> <li>☐ Maximum Maturity Date and Coupon Rate</li> <li>☐ Maximum Discount</li> </ul> Bond Counsel to begin drafting SUPER PARAMETERS RESOLUTION and related bond documents	LYRB, BC	Completed
<b>Sept. 7 (Mon.)</b>	<b>LABOR DAY HOLIDAY</b>	-	-
Sept. 9 (Wed.)	RDA Board meeting. Brief Agency on proposed refunding of Series 2010 Bonds, including review of Calendar and discussion of market timing.	RDA, LYRB	
Sept. 10 (Thu.)	Agency to request that holder of the Series 2010 Bonds grant a waiver to allow the Agency to redeem all of the outstanding Series 2010 Bonds on November 2, 2020	RDA, LYRB	
Sept. 10 (Thu.)	LYRB to distribute RFP for Underwriter Services	LYRB	
Sept. 11 (Fri.)	Draft Bond Documents distributed to Financing Team <ul style="list-style-type: none"> <li>☐ Draft Preliminary Official Statement</li> <li>☐ Supplemental Indenture</li> <li>☐ Related draft Bond documents</li> </ul>	BC	
Sept. 16 (Wed.)	Parameters Resolution and other related bond documents distributed to Agency for inclusion in the RDA Board packet	BC, LYRB, RDA	

<sup>1</sup> Preliminary, subject to change.



DATE	EVENT	RESPONSIBLE PARTY	STATUS
Sept 23 (Wed.)	RDA Board Meeting to consider adoption of the <b>authorizing (Parameters) Resolution</b> and appoint pricing committee (Designated Officers)	RDA, LYRB, BC	
Sept. 24 (Thu.)	Underwriter RFP responses due by 2:00 p.m.	LYRB	
Sept. 26 (Sat.)	<b>Publish “Notice of Bonds to be Issued”</b> in local newspaper (starts 30-day public contestability period)	BC	
Sept. 28 (Mon.)	Trustee to send Conditional Notice of Redemption to Holders of the Refunded Bonds for Redemption on November 3, 2020	T	
Sept. 29 (Tue.)	Present underwriter RFP analysis to the Agency. Inform underwriter of selection. Inform Bond Counsel of underwriter selection	RDA, LYRB	
Oct. 2 (Fri.)	LYRB to distribute draft Ratings Presentation to the Agency for review	LYRB	
Oct. 6 (Tue.)	Meeting with Rating Agency(ies) via video-conference call (time to be determined).	RDA, LYRB	
Oct. 15 (Thu.)	Receive rating. Send Rating to Bond Counsel for inclusion in documents	LYRB	
Oct. 16 (Fri.)	Distribute POS electronically	BC	
Oct. 26 (Mon.)	Completion of 30-day Contest Period on the Bonds	-	
Oct. 26 (Mon.)	Pre-pricing conference call	RDA, LYRB, UW	
<b>Oct. 27 (Tue.)</b>	Pricing of Series 2020 Bonds. Post-sale wrap-up conference call at 11:00 a.m. Provide final debt service numbers to Bond Counsel.	RDA, LYRB, UW	
Oct. 28 (Wed.)	Distribute Draft Closing Memorandum	LYRB	
Oct. 29 (Thu.)	Distribute Final Closing Documents	BC	
Oct. 29 (Thu.)	Distribute Final Closing Memorandum	LYRB	
Oct. 30 (Fri.)	Pre-Closing & Signing of Documents (Specific date and time to be confirmed by the Agency)	RDA, BC, LYRB	
<b>Nov. 2 (Mon.)</b>	Closing	ALL PARTIES	

**LEGEND**

- BC: BOND & DISCLOSURE COUNSEL – GILMORE & BELL
- RDA: RDA STAFF AND OFFICIALS
- LYRB: MUNICIPAL ADVISOR – LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.
- T: TRUSTEE – [TO BE DETERMINED]
- UW: UNDERWRITER – [TO BE DETERMINED]
- UWC: UNDERWRITER’S COUNSEL – [TO BE DETERMINED IF REQUIRED]



## DISTRIBUTION LIST

---

### **CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY**

220 East Morris Ave.  
South Salt Lake, Utah 84115

Mayor Cherie Wood  
Telephone: 801.464.6757  
E-mail: [mayor@sslc.com](mailto:mayor@sslc.com)

Portia Mila, RDA Chair  
Telephone: 801.792.0912  
E-mail: [pmila@sslc.com](mailto:pmila@sslc.com)

Kyle Kershaw, Director of Finance  
Telephone: 801.483.6000  
E-mail: [kkershaw@southsaltlakecity.com](mailto:kkershaw@southsaltlakecity.com)

Randy Sant, Economic Development Consultant  
Telephone: 801.  
E-mail: [rscontractmanagement@gmail.com](mailto:rscontractmanagement@gmail.com)

Hannah Vickery, City Attorney  
Telephone: 801.483-6068  
E-mail: [hvickery@southsaltlakecity.com](mailto:hvickery@southsaltlakecity.com)

Craig D. Burton, City Recorder  
Telephone: 801.483.6027  
E-mail: [cburton@sslc.com](mailto:cburton@sslc.com)

### **MUNICIPAL ADVISOR**

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
41 N. Rio Grande, Suite 101  
Telephone: 801.596.0700

Jason Burningham, Principal  
E-mail: [jason@lewisyoung.com](mailto:jason@lewisyoung.com)

Marc Edminster, Vice President  
E-mail: [marc@lewisyoung.com](mailto:marc@lewisyoung.com)

### **BOND & DISCLOSURE COUNSEL**

GILMORE BELL, P.C.  
15 West South Temple, Suite 1450  
Salt Lake City, Utah 84101

Ryan K. Warburton, Partner  
Telephone: 801.  
E-mail: [rwarburton@gilmorebell.com](mailto:rwarburton@gilmorebell.com)

### **UNDERWRITER**

[TO BE DETERMINED]

### **UNDERWRITER'S COUNSEL**

[TO BE DETERMINED IF REQUIRED]



**TRUSTEE**  
[TO BE DETERMINED]

**RATING AGENCY**  
[TO BE DETERMINED]