

MIDA Board Meeting **Draft** Minutes August 3, 2021 @ 8:00 a.m.

Zoom Teleconference

To hear the audio recording of this meeting please go to: https://www.utah.gov/pmn/

Board Members Present: *Mark Shepherd, Gary Harter, Steve Farrell, Gage Froerer\*, Stuart Adams, Jerry Stevenson*

*Board Members Excused*:

\*Entered the meeting late

Agenda item (1) Welcome: Stuart Adams

Agenda item (2) Approval of Minutes for June 1, 2021

**Mark Shepherd: Motion to Approve June 1, 2021 minutes**

**Gary Harter: Second.**

Mark Shepherd, Gary Harter, Stuart Adams, Jerry Stevenson, vote “aye” in favor of approving minutes from June 1, 2021. None are opposed. The motion passes.

**Agenda Item (3) Resolution 2021-11 Approving the Pioche Subdivision Plat in the Military Recreation Facility Project Area**

Paul Morris discusses the Pioche Subdivision Plat. He relays that the plat was recommended for approval by the MRF-DRC. Rob Donnigan reviews the information for the Pioche Subdivision Plat. He explains the potential uses for lots.

Kurt Krieg: Thanks to the DRC. We close on this in July. We are doing model homes almost immediately. This is the third plat that we are working on.

**Steve Farrell: Motion to Approve Resolution 2021-11**

**Mark Shepherd: Second**

**Mark Shepherd, Gary Harter, Stuart Adams, Jerry Stevenson, vote “aye” in favor of approving resolution 2021-11. None are opposed. The motion passes.**

*The floor is given to Gary Barnett for comments*

Gary Barnett: Thank you for considering TAR bonds. I will be out next week to meet with potential bond investors. Everything is moving along great since the groundbreaking. We are optimistic. we are doing well thought out, environmentally sound clean-up. We appreciate thestate and local support.

Stuart Adams: The interest rates are low right now.

Gary Barnett: This is the way to get it done. We want to take advantage of these rates.

**Agenda Item (4) Resolution 2021-12 Authorizing And Approving A Preliminary Limited Offering Memorandum And Limited Offering Memorandum in Connection with the Issuance and Sale Of MIDA’s Tax Allocation Revenue Bonds, Series 2021 (To Be Issued In One Or More Series And With Such Other Series Or Title Designation(s) as may be determined); Approving the Execution and Delivery of a Bond Purchase Agreement, Reimbursement Agreement and Continuing Disclosure Agreement; and Related Matters in the Military Recreation Facility Project Area**

Randy Larsen: This is a companion resolution to the parameters resolution passed in June. It initiated a 30-day contestability period. Now we are prepared with the follow-up resolution. It authorizes documents- a security document, market study, cash flow analysis, anticipated revenues, coverages, etc. There is also a form of a bond purchase agreement that locks in the terms and interest rates of those bonds. There is also a reimbursement agreement which outlines how the developer can be reimbursed for the infrastructure. There is a continuing disclosure agreement which contains a covenant for an annual reporting requirement, and reports for certain material events.

Stuart Adams: What is the term?

Laura Lewis: 30 years.

Kurt Krieg: Would you mind explaining more about the market study?

Laura Lewis: We are waiting for the final version of the market study. The study is long and detailed about competing markets. We are working with a CPA to do the 3rd party analysis called CLA Connect. There is a site visit on August 11. August 16-18th there will be independent meeting with investors. Aug 24th we will hold the bond pricing.

Stuart Adams: Is there a range where we will end up?

Laura Lewis: 4 ¼ ish range.

Gary Barnett: We want to push it to the 3’s- we want it to happen quickly.

Gary Harter: Besides timing and interest rates are there any other risks?

Laura Lewis: Everything appears to be going as it should, but there are things we can’t predict. These bonds are being structured with a 5-year call and we will know by then if we are meeting our goals.

Stuart Adams: I understand there is a performance guarantee that comes from the developer.

**Gary Harter : Motion to Approve Resolution 2021-12.**

**Mark Shepard : Second**

**Mark Shepherd, Gary Harter, Stuart Adams, Jerry Stevenson, Steve Farrell, vote “aye” in favor of approving Resolution 2021-12. None are opposed. The motion passes.**

**Agenda item (5): Resolution 2021-13 Authorizing the Execution and Delivery of an Interlocal Capital Pledge Agreement, a Construction Completion Guaranty, and an Acknowledgement and Consent Agreement; and Related Matters in the Military Recreation Facility Project Area**

Paul Morris: This relates to the PID. The PID has already met and approved the other half of this agreement. It is one of the backups that we were talking about earlier.

Randy: These are three documents which serve as backup measures: first is an interlocal capital pledge agreement. The PID has agreed with the developer to an additional property tax that can be guaranteed if needed to provide additional revenues to pay debt service on the bond under certain conditions. MIDA needs to approve that pledge now. The next document is risk mitigation construction guarantee. It is to guarantee construction of two hotels with assets pledged behind it if the hotels do not get built. If they are built, then they will support the revenue to pay the bond. The final document is an acknowledgement of consent.

**Mark Shepherd: Motion to approve Resolution 2021-13**

**Gary Harter : Second**

**Mark Shepherd, Gary Harter, Stuart Adams, Jerry Stevenson, Steve Farrell, vote “aye” in favor of Resolution 2021-13. None are opposed. The motion passes.**

**Agenda Item (6) Resolution 2021-14 Establishing Hotel Rooms and Permanent Population and Levying the Resort Communities Tax in the Military Recreation Facility Project Area**

Paul: One of the taxes in the development fund is the ability to impose a resort communities tax in an area that has a large number of transient rooms vs. residents. Our board can determine that number based on projections. This resolution puts this tax in place.

**Mark Shepherd: Motion to approve Resolution 2021-14**

**Steve Farrell : Second**

**Mark Shepherd, Gary Harter, Stuart Adams, Jerry Stevenson, Steve Farrell, vote “aye” in favor of Resolution 2021-14. None are opposed. The motion passes.**

**Agenda Item (7) Resolution 2021-15 Authorizing the Execution of an Interlocal Capital Pledge Agreement with the MIDA Golf and Equestrian Center Public Infrastructure District, the Issuance of the MIDA Obligation, Providing for the Publication of a Notice of Bonds to be Issued, the Running of a Contest Period, the Execution of other Related Documents, and the Taking of all other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution in the Military Recreation Facility Project Area**

Paul Morris: We are switching to the other side of the Project Area- this is for the Golf Academy and Equestrian Center PID. This bond is not scheduled until September. This starts the 30-day contestability period. The PID is issuing the bond, and then MIDA funds the development side.

Randy: The main document this approves is the interlocal agreement which pledges the tax allocation revenues. We treat it as if it is a debt obligation. This expands the bonding capacity.

Stuart: Are all parties involved east and west?

Randy: They will have to comply with the existing contracts, with some potential for adjustments.

Kurt Krieg: We are continuing to work things out with Paul.

*Gage Froerer joins the meeting.*

**Jerry Stevenson: Motion to approve Resolution 2021-15**

**Mark Shepherd: Second**

**Mark Shepherd, Gary Harter, Gage Froerer, Stuart Adams, Jerry Stevenson, Steve Farrell, vote “aye” in favor of Resolution 2021-15. None are opposed. The motion passes.**

**Agenda Item (8) Other business including updates**

Paul Morris: A lot is going on with the interchanges in the Falcon Hill Project Area. The projects are going very well, and things are progressing very well on budget and on time.

Gary Harter: We were at ADC conference in D.C. two weeks ago and we had a meeting with Jennifer Miller. It was a good meeting and she is a huge supporter.

Paul: We want to host the ADC conference here at the MWR someday.

Mike Kosakowski: What is the status of the transportation study that is due to be done this month?

Heather: We have an updated memo that should be cleaned-up and sent to you sometime this week.

**Gary Harter: Motion to Adjourn**

**Mark Shepard: Second**

**Mark Shepherd, Gary Harter, Mike Ostermiller, Gage Froerer, Stuart Adams, Jerry Stevenson, Steve Farrell vote “aye” in favor of adjourning the meeting. None are opposed. The motion passes.**

**Meeting adjourned at: 9:10**

**Meeting Attendees:**

Bill Fiveash, Brent Hall, Thomas Leavens, Allison Aafedt, Jan McCosh, Deborah Black, Michael Kosakowski, Doug Devour, Gary Barnett, Erik Anderson, Hannah Wilson, Mike Davis, Jacob Ballsteadt, Michael Lane, Kurt Krieg, Brook Hontz, Jim Tozer, Abraham Van der Spek, Sam Sharp, Tyler Aldous, Val Oveson, Dustin Grabau, Benj Becker, Darci Stephens, Jack Walkenhorst

Jack Johnson, Tanner Blackburn, Roger Henricksen, Jill Jacobsen, Glen Clement

Bill Coleman, Heather Kruse, Richard Catten, Derek Brenchley, Nicole Cottle, David Williamsen, Cory Shupe, Kristin Kenny Williams, Randy Larsen, Michael Wagstaff, Robert Donigan, Paula Eldredge, Laura Lewis, Michelle Jensen, Ashley Burr.