



REDEVELOPMENT AGENCY OF BOUNTIFUL CITY AGENDA

**Tuesday April 12, 2022
8:00 p.m. (approximately)**

NOTICE IS HEREBY GIVEN that the Board of Directors of the Bountiful City Redevelopment Agency (RDA) will hold a meeting at Bountiful City Hall, 795 South Main Street, Bountiful, Utah, at the time and date given above. The public is invited to attend. Persons who require special accommodations should contact Shawna Andrus, City Recorder, at (801) 298-6140, at least 24 hours prior to the meeting.

AGENDA

1. Welcome
2. Consideration approval of Minutes for June 22, 2021
3. Development Agreement for Conditional Grant for the Construction of the Second Parking Facility
4. Adjournment

1 Minutes of the
2 BOUNTIFUL CITY REDEVELOPMENT AGENCY
3 June 22, 2021
4 9:30 p.m.
5

6 Location: Bountiful City Hall Council Chambers, 795 South Main Street, Bountiful, Utah
7 Present: Chairman Randy Lewis
8 Board Members Millie S Bahr, Kate Bradshaw, Kendalyn Harris and Chris
9 Simonsen
10 City Manager Gary Hill
11 City Attorney Clinton Drake
12 Asst City Manager Galen Rasmussen
13 RDA Director Francisco Astorga
14 Finance Director Tyson Beck
15 Recording Secretary Maranda Hilton
16
17 Excused: Board Member Richard Higginson
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20 **1. Welcome and Introductions**

21 Chairman Lewis opened the meeting at 9:32 p.m. and welcomed all those present.
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23

24 **2. Consideration of approval of Minutes for previous meetings held December 8 & 28, 2020**

25 Board Member Bradshaw made a motion to approve the minutes from December 8 & 28, 2020, as
26 written. Board Member Bahr seconded the motion. Voting was 5-0 in approval with Chairman Lewis
27 and Board Members Bahr, Bradshaw, Harris and Simonsen voting “aye”.
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29

30 **3. PUBLIC HEARING: Consider adopting the RDA Resolution 2021-01 approving the proposed**
31 **FY2022 RDA Budget**

32 Director Astorga presented RDA Resolution 2021-01 to the Board for approval. He explained that
33 we expect to collect approximately \$1.035M in new tax increment and have allocated
34 approximately \$5.8M for capital projects.
35
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37 The Public Hearing was opened at 9:33 p.m.
38

39 No comments were made.
40

41 The Public Hearing was closed at 9:33 p.m.
42

43 Board Member Bradshaw made a motion to approve RDA Resolution 2021-01 approving the
44 proposed FY2022 RDA Budget. Board Member Simonsen seconded the motion. Voting was 5-0 in
45 approval with Chairman Lewis and Board Members Bahr, Bradshaw, Harris and Simonsen voting
46 “aye”.
47

48 **4. Adjournment**

49 Board Member Bradshaw made a motion to adjourn the meeting and Board Member Bahr seconded
50 the motion. Voting was 5-0 in approval with Chairman Lewis and Board Members Bahr, Bradshaw,
51 Harris and Simonsen voting “aye”.
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Kendalyn Harris
Redevelopment Agency Chair

DRAFT

RDA Staff Report



Subject: Development Agreement for Conditional Grant for the Construction of the Second Parking Facility
Property: Renaissance Towne Centre
Author: Francisco Astorga, AICP, Agency Director
Date: April 12, 2022

Background

Town Center LLC, represented by Bruce Broadhead, requests a Redevelopment Agency (RDA) conditional grant of \$3,980,000 to finance the construction of the Second Parking Facility at Renaissance Towne Centre (RTC). The developer estimates the construction of this structure is approximately \$10.59M (at \$24,809 per stall).

On December 8, 2020, the RDA approved a loan to Renaissance Towne Centre Master Association (Bruce Broadhead) consisting of \$330,000 for 10 years with a 3.0% interest rate to finance deferred maintenance and capital improvements consisting of security upgrades to the existing First Parking Facility.

On December 8, 2020, the RDA also approved a *conditional grant* to Town Center LLC (Bruce Broadhead) consisting of \$1,020,000 for 10 years with a 3.0% interest rate to finance the construction of the initial improvements consisting of \$820,000 for roadway improvements and \$200,000 for the excavation and surface parking related to the Second Parking Facility. If performance benchmarks agreed upon as a part of the approval are not met, some or all of the \$1,020,000 grant will convert to a loan. The proposed conditional grant for \$3,980,000 will have the same conditions, as outlined in the Analysis section below.

Analysis

To facilitate the development of various lots of the RTC Master Plan (comprised of development lots 11, 13, 15a, 15b, 17 and 18 and other future parcels), including the proposed Second Parking Facility, the RDA will provide, upon execution of this Agreement, a “conditional grant” to the Developer in the amount of \$3,980,000, which is to be used by the Developer within twenty four (24) months to construct and install the Second Parking Facility and related infrastructure improvements for continued development of the project. On January 11, 2022, the City Council approved a Final Architectural and Site Plan Review application of the subject parking garage in conjunction with the RTC South Apartment Building. The parking facility is seven (7) levels and contains 427 parking spaces.

The conditional grant is not to carry a repayment obligation provided that a “substantial completion certificate” is issued for each specific approved building on each of the five (5) sites is issued within seven (7) years after the conditional grant funds are disbursed funds by the RDA.

If any of the lots have not met the condition, the applicable portion of the conditional grant will be converted to a loan obligation of the Developer and will be repaid to the RDA. The allocation of a portion of the conditional grant is based on the proportion of the anticipated tax increment projected to be generated by each such lot at the time the conditional grant as below:

<u>Development Lot</u>	<u>Amount of Grant Potentially Converted to Loan</u>
11	\$ 2,289,518
13	362,767
15a & 15b	854,529
17	276,731
18	196,455
Total	\$ 3,980,000

Only the portion of the conditional grant for each site for which a “Substantial Completion Certificate” is issued within the specified time period will be converted to a loan obligation, and the remainder of the conditional grant for those sites where “Substantial Completion Certificate” were issued within the specified time period will not be subject to a repayment obligation. With respect to a portion of the conditional grant which is converted to a loan obligation, the Developer will repay such amount with a 3.0% interest rate payable over a monthly ten (10) year term.

In addition to the loan, the attached Development Agreement includes a provision that the City/RDA agrees to issue up to \$6.4 million in bonds on behalf of Renaissance Town Center to finance the construction of the parking structure. The bonds would be secured by the creation of a special assessment area, and the Developer would be responsible to repay the City/RDA for the difference between the \$3.98 million grant/loan and the final bond amount.

Department Review

Agency Director and City Manager.

Significant Impacts

The funding provided by the RDA will provide an important incentive towards the redevelopment of Renaissance Towne Centre. This conditional grant of \$3,980,000 completes the final contribution of the RDA based on the overall commitment consisting of \$5,000,000. \$1,020,000 was approved in December 2020.

Recommendation

Adopt the attached Development Agreement and approve a conditional grant to Town Center LLC, in a form approved by the City Attorney, with the following terms if the developer does not comply with the conditions specified within the development Agreement:

1. Loan Value: \$3,980,000
2. Amortization Period: 10 years
3. Call: None
4. Interest Rate: 3.0%
5. Payment Schedule: Monthly – First Payment 30 days after conversion from Grant to Loan
6. Security: Trust Deed on Lot granted by Developer to RDA at time of conversion from Grant to Loan, to be subordinate to construction and development financing on such Lot.

7. Other: The converted loan amount on any Loan may be repaid to the RDA at any time, in whole or in part, without premium or penalty.

Attachments

1. Development Agreement

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into effective as of the ____ day of _____, 2022, by and between TOWN CENTER, LLC, a Utah limited liability company (the “Developer”), and THE REDEVELOPMENT AGENCY OF BOUNTIFUL CITY, UTAH (the “RDA”), each a “Party” and collectively the “Parties” herein.

Recitals

A. Developer is the master developer of the Renaissance Towne Centre Project in Bountiful City (the “City”), Davis County, Utah, a mixed-use commercial development, located from the south side of 1500 South Street to the north side of 1800 South Street, and west of Main Street to 400 West Street (the “Project”). The Project has been and will be “platted” into various development parcels or “Lots”. The existing and currently proposed Lots within the Project are depicted on the Approved Development Plan, Figure 1, and The Approved Plan, Figure 2.

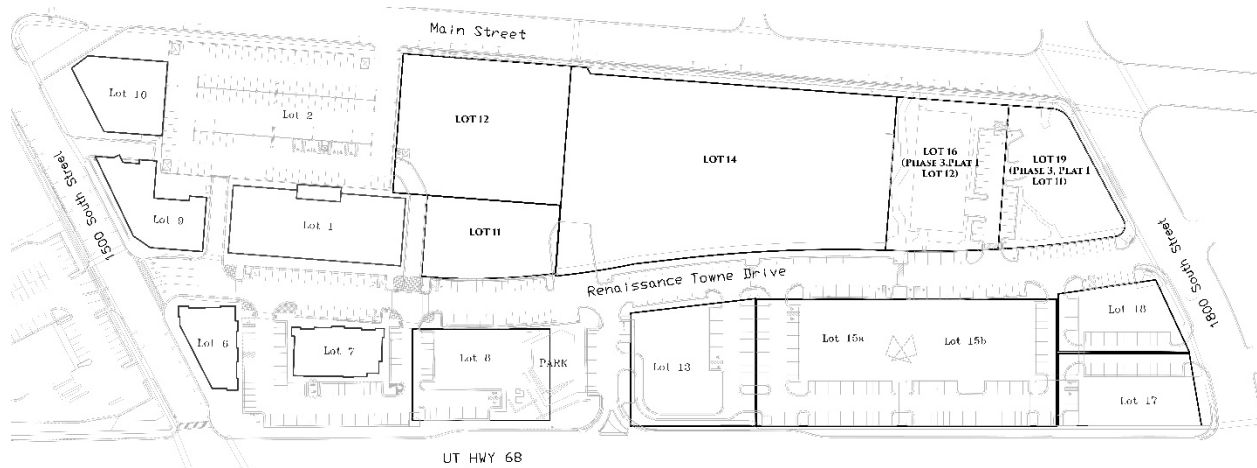


Figure 1 – Approved Development Plan

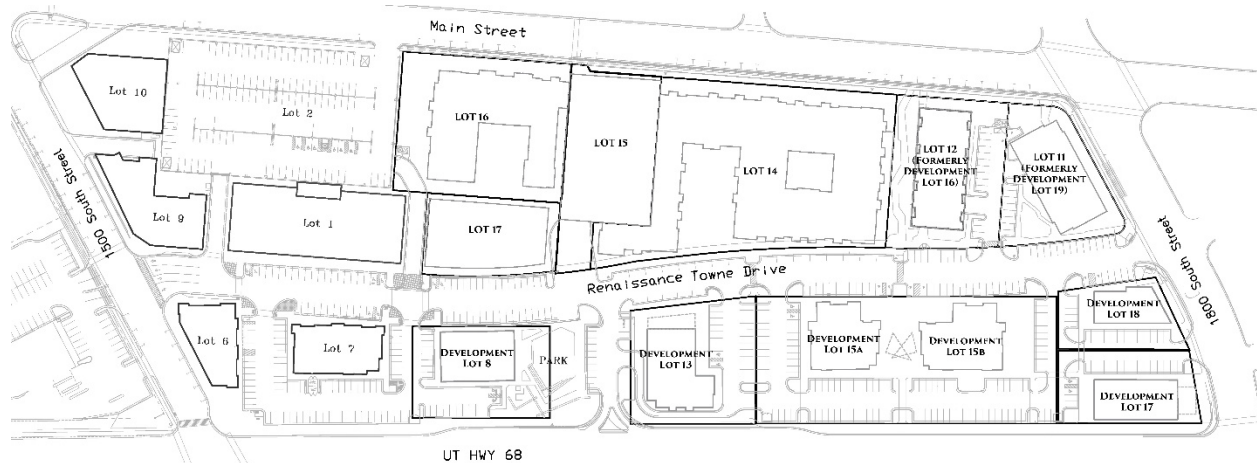


Figure 2 – Approved Plat (Phase 3 Plat 2)

B. The City has created an Economic Development Project Area (the “Area”) pursuant to the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C, *et seq.*, *Utah Code Annotated*, as amended (the “Act”).

C. The Renaissance Towne Centre Master Association, Inc., a Utah nonprofit corporation (the “Master Association”) is the duly organized master owner’s association for the Project pursuant to a “Declaration of Covenants, Conditions, Easements and Restrictions For Renaissance Towne Centre (a Commercial Mixed-Use Planned Unit Development)” (the “Master Declaration”), which operates and maintains the “Common Elements” within the Project, including those which are owned by the Master Association, or in which the Master Association and Owners within the Project have rights of use, and which the Master Association operates and manages, including the existing 485 stall three story parking facility (the “First Parking Facility”).

D. The RDA is a municipal redevelopment agency organized for the public purpose of facilitating and encouraging economic development within the City, and the redevelopment of property within the City, such as the Project.

E. The RDA and the City have determined that economic development of the Area constitutes the performance of an essential public purpose, which protects and promotes the public health, safety, and welfare.

F. The Developer has presented to the City plans for continued development of the Project to be constructed on property it currently owns within the Area, and the City has approved the Development Plan.

G. The Developer has also presented to the Agency and its consultants sufficient information, including development plans and alternatives, financial statements, and other information, showing justification for the RDA’s participation in the Project.

H. The RDA is willing to provide to the Developer a conditional grant, and to issue or work with the City to issue up to an aggregate amount of \$6,400,000 of certain tax-exempt

sales tax, revenue, and/or certain special assessment bonds, or a combination thereof as determined by the RDA and/or the City (collectively the “Bonds”), the proceeds of which shall be utilized to facilitate the Developer’s construction and development of the Second Parking Facility (427 parking spaces) and related infrastructure improvements at the Project (the “Second Parking Facility”) to advance and implement the purposes of the RDA, including the development and construction of the Project, which Second Parking Facility will be privately owned and which will provide both public and private parking for continued development of the Project, pursuant to a recorded easement or easements or other appropriate legal documents, on the terms and conditions set forth herein. It is anticipated that the Second Parking Facility will also be managed by the Master Association.

I. The RDA is authorized to enter into this Agreement with Developer and the Master Association and utilize RDA funds for the purposes set forth herein pursuant to Section 17C-1-202 of the Act.

J. The Developer is a “Participant” and this Agreement qualifies as a “Participation Agreement” as those terms are defined in Section 17C-1-102 (39) and (40) of the Act. This Agreement also constitutes a “development agreement” as contemplated by *Utah Code Annotated* § 10-9a-102.

K. The Parties acknowledge that proposed continued development of the Project is consistent with the City’s “master development plan” and land use development code (the “City Code”), and with the State of Utah Municipal Land Use, Development and Management Act (“LUDMA”).

NOW THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. RDA Conditional Grant. To facilitate the development of various lots of the Project (comprised of Development Lots 11, 13, 15a, 15b, 17 and 18 and other future parcels), including the proposed Second Parking Facility which will be privately owned, but which will provide additional private and public parking for the Project, the RDA will provide, upon execution of this Agreement, a “conditional grant” to the Developer in the amount of \$3,980,000 (the “Conditional Grant”), which shall be used by the Developer within twenty four (24) months of the date of this Agreement to construct and install the Second Parking Facility and related infrastructure improvements for continued development of the Project.

(a) The Conditional Grant shall carry no repayment obligation by the Developer or the Project provided that a “Substantial Completion Certificate” is issued by the Architect of Record for vertical improvements, as permitted under a Bountiful City Building Permit, no later than seven (7) years after the Conditional Grant funds are disbursed by the City, on Development Lots 11, 13, 15a, 15b, 17 and 18 within Project. The minimum acceptable vertical improvements for a substantial completion certificate to be issued for each of the foregoing Lots to which a portion of the Conditional Grant is allocated shall be a building core and shell including completed exterior finishes.

(b) Acknowledgement of Grant: Upon request of any foregoing Lot Owners, if a Substantial Completion Certificate as defined in section 1(a) above has been issued with respect to a building on Development Lots 11, 13, 15a, 15b, 17 and 18 prior to the deadline outlined in section 1(a) above, the RDA and Bountiful City will issue an acknowledgement letter stating that the applicable conditions of section 1(a) above have been satisfied, and the Grant amount allocated to said Lot shall remain a grant in perpetuity. After a Substantial Completion Certificate has been issued, Developer shall make reasonable efforts to continue construction to completion and obtain a certificate of occupancy.

(c) If any of the Lots (as depicted in the Approved Development Plan) have not met the condition set forth in section 1(a) above for such Lot within the time period specified in section 1(a) above, the applicable portion of the Conditional Grant allocated to such Lot as set forth below, shall be converted to a loan obligation of the Developer to the RDA, and shall be repaid by the Developer to the RDA pursuant to the terms set forth in section 1(d) below. The allocation of a portion of the Conditional Grant to each Lot is based on the proportion of the anticipated tax increment projected to be generated by each such Lot at the time the Conditional Grant is disbursed, and is as follows:

<u>Development Lot</u>	<u>Amount of Grant Potentially Converted to Loan</u>
11	\$ 2,289,518
13	362,767
15a & 15b	854,529
17	276,731
18	<u>196,455</u>
	\$ 3,980,000

Only the portion of the Conditional Grant set forth above attributable to a Lot which has not met the applicable condition set forth in section 1(a) above within the time period specified in section 1(a) shall be converted to a loan obligation, and the remainder of the Conditional Grant for those Lots which satisfied the applicable condition within the specified time period shall not be subject to any repayment obligation.

(d) With respect to any portion of the Conditional Grant which is converted to a loan obligation to the RDA, the Developer (or its successor in interest as set forth in section 2 below) shall repay such amount with the following terms:

Loan Value(s):	See section 1(c) of this agreement
Amortization Period:	10 years
Call:	None
Interest Rate:	3%
Payment Schedule:	Monthly – First Payment 30 days after conversion from Grant to Loan
Security:	Trust Deed on Lot granted by Developer to RDA at time of conversion from Grant to Loan, to be subordinate to construction and development financing on such Lot.

Other:	The converted loan amount on any Lot may be prepaid to the RDA at any time, in whole or in part, without premium or penalty.
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2. Special Assessment Area or District. Continued Development of the Project shall be constituted by the RDA and the Developer as a “Special Assessment Area or District” under the Act, such that the remaining \$2,420,000 portion of the costs of the Second Parking Facility will be financed by bonds issued by the City and/or the RDA, and the levy of pro-rata special assessment liens on each Lot within continued development of the Project to secure said bond financing, which liens shall run with the land until the \$2,420,000 is paid in full.

3. Successors and Assigns. The Parties recognize that the Developer may develop the Lots through separate single purpose entities that are affiliated with Developer, or by conveying one or more of the Lots to third party owners and developers who shall undertake to develop such Lots (collectively, “Development Conveyances”). The burdens related to the potential conversion of a portion of the Conditional Grant to a loan attributable to each Lot identified in this agreement shall “run with the land”, and bind the successors and assigns of Developer who are owners of such Lots at the time, if any, that the conversion of such portion of the Conditional Grant to a loan obligation occurs.

4. Vested Rights. The rights and obligations set forth herein are “vested rights” under Utah law, and may be enforced by any remedy available at law or equity, including by specific performance.

5. Additional Agreements. The Parties anticipate that additional development and other agreements will be necessary, and may be entered into by the Parties at a future date, for the Project. All additional development or other agreements, if any, shall be in writing and duly authorized by the Parties.

6. Amendments. Except as otherwise provided herein, this Agreement may be modified or amended by, and only by, a written instrument duly authorized and executed by the Developer and the RDA.

7. Governing Law and Interpretation. This Agreement shall be governed by the laws of the State of Utah, and any action pertaining hereto shall be brought in the applicable state court having jurisdiction in Davis County, Utah.

8. Integrated Agreement. The Recitals, and all exhibits, schedules and attachments attached hereto, are incorporated and made an integral part of this Agreement. Except as otherwise provided herein, this Agreement constitutes the entire agreement of the parties with respect to the subject matter addressed. Except as otherwise set forth or anticipated herein, there are no other contracts or agreements, written or verbal, between the parties relating in any way to the subject matter of this Agreement. No party is relying on any verbal or written statements of the other than those expressly set forth in this Agreement.

9. Further Assurances. The Parties shall cooperate, take such additional actions, sign such additional documentation, and provide such additional information as reasonably necessary to accomplish the objectives set forth in this Agreement.

10. Indemnification. The Developer shall indemnify, defend and hold the RDA and the City (including their respective officers, directors, agents, employees, contractors, and consultants) harmless from and against all liability, loss, damage, costs or expenses, including attorneys' fees and court costs, arising from or as a result of death, injury, accident, loss or damage of any kind caused to any person or property because of the act(s), error(s), or omission(s) of the Developer (including its officers, directors, agents, employees, contractors, and consultants) upon or in connection with the Project or in connection in any way with this Agreement, except in each case to the extent arising out of the negligence, willful misconduct, illegal acts, bad faith or breach of this Agreement by the RDA or the City (including their respective officers, directors, agents, employees, contractors, and consultants).

11. Third-Party Beneficiaries. Except for the City which is an intended third-party beneficiary as described in the immediately preceding paragraph regarding indemnification, this Agreement is intended solely for the benefit of the RDA and the Developer and there are no intended third party beneficiaries.

12. No Liability of Officials or Employees. No director, officer, agent, employee, or consultant of the RDA or the Developer shall be personally liable to the other Party hereto, or any successor in interest, in the event of any default or breach by the RDA, or the Developer, or for any amount which may become due to the Developer or the RDA or their respective successors or on any obligations under the terms of this Agreement.

13. No Legal Relationships. The Parties disclaim any partnership, joint venture, fiduciary, agency or employment status or relationship between them. No Party has the authority to make any representation or warranty or incur any obligation or liability on behalf of the other Party, nor shall they make any representation to any third party inconsistent with this section 13.

14. No Public Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of all or any portion of the Project for the general public or for any public purpose whatsoever.

15. Due Authorization. Each Party to this Agreement represents and warrants to the other Parties hereto that execution and delivery of this Agreement by such Party, and the transactions contemplated hereby, have been duly authorized by all necessary company, agency, and/or municipal action, and that this Agreement is binding and enforceable in accordance with its terms.

[End of Terms – Signature Page Follows]

Executed as of the date first written above.

“Developer”

Town Center, LLC, a
Utah limited liability company

“RDA”

The Redevelopment Agency of
Bountiful City, Utah

By _____
Bruce V. Broadhead

Manager

By _____
Kendalyn Harris
RDA Chair

Attest:

By _____
Francisco Astorga
RDA Director

Approved as to Form:

Clinton Drake
City Attorney