

# REDEVELOPMENT AGENCY OF BOUNTIFUL CITY

Tuesday, June 12, 2018

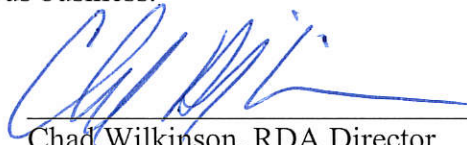
7:30 p.m. (Time approximate after the City Council meeting)

**NOTICE IS HEREBY GIVEN** that the Board of Directors of the Bountiful City Redevelopment Agency will hold a meeting at Bountiful City Hall, 790 South 100 East, Bountiful, Utah, at the time and date given above. The public is invited to attend. Persons who require special accommodations should contact Shawna Andrus, Executive Assistant, at (801)298-6140, at least 24 hours prior to the meeting.

If you are not on the agenda, the Board of Directors will not discuss your item of business until a subsequent meeting. If you wish to have an item placed on the agenda, contact the Redevelopment Agency Director at (801)298-6190, at least 7 days before the scheduled meeting.

## AGENDA

1. Welcome
2. Consider approval of minutes for March 27, 2018.
3. **PUBLIC HEARING:** Consider approval of Resolution 2018-01; FY 2018 Amended RDA Budget and proposed FY 2019 RDA Budget.
4. Update and Discussion of Renaissance Pad A revolving loan application.
5. RDA Director's report and miscellaneous business.



---

Chad Wilkinson, RDA Director

Pending minutes have not yet been approved by the Redevelopment Agency Committee and are subject to change until final approval has been made.

## BOUNTIFUL REDEVELOPMENT AGENCY

### Meeting Minutes of: Tuesday, March 27, 2018

Location: City Council Chambers, Bountiful City Hall, 790 South 100 East, Bountiful, Utah

Present: Chairman – Randy Lewis; Board Members – Kendalyn Harris, Richard Higginson, Beth Holbrook, John Marc Knight and Chris R. Simonsen; City Manager – Gary Hill; City Attorney – Clinton Drake; Redevelopment Director – Chad Wilkinson; City Engineer – Paul Rowland

#### Welcome

1. Chairman Randy Lewis opened the meeting at 7:55 p.m. and welcomed those in attendance.

#### Agenda Items

2. **Consider approval of minutes for October 10, 2017.**

Mr. Higginson made a motion to approve the minutes for October 10, 2017. Mr. Knight seconded the motion.

A Mr. Lewis  
A Ms. Harris  
A Mr. Higginson  
A Ms. Holbrook  
A Ms. Knight  
A Mr. Simonsen

Motion passed 6-0.

3. **Consider approval of an amended revolving loan application for \$550,000, Renaissance Place LLC, Brian Knowlton, applicant.**

Mr. Wilkinson noted this is a slight modification to an RDA loan which was approved in October, 2017. The applicant has requested to change the collateral.

Redevelopment Director Chad Wilkinson presented a summary of the staff report (the full staff report follows).

Mr. Brian Knowlton, representing Renaissance Place, LLC requests a loan of \$550,000 dollars in order to finance construction of a mixed use building on “Pad A” of the

Renaissance Town Center.

The proposed building consists of 5 stories. The ground floor of the building will be comprised of parking and approximately 4,700 square feet of commercial space. The remainder of the building consists of 40 multifamily residential units.

The applicant was approved for a loan in the amount of \$550,000 dollars on October 10, 2017. The applicant has subsequently requested that the collateral for the RDA loan be changed from the subject property to other land within the Renaissance Towne Center development. The applicant has provided an appraisal indicating a value of \$960,000 dollars for the property proposed to be used as security. While the property identified is .31 acres in size, the appraisal indicates that the value is based on an assumption of using common area around the property to support the development of the property. The total effective parcel area identified in the appraisal is 1.36 acres. Therefore, in order to gain the necessary loan to value ratio the entire 1.336 acre property identified in the appraisal will need to be encumbered. If the entire 1.336 acres identified in the appraisal is encumbered the resulting LTV is 57 percent which is well below the 75 percent LTV ratio the RDA board has requested in the past. The amount requested represents approximately 46 percent of the actual construction costs of the commercial portion of the building based on estimates provided by the applicant. This amount is consistent with RDA loan policies which state that loans should not exceed 50 percent of the construction costs for a project. The proposed financing for the project includes \$1,715,000 of applicant provided funding, a commercial loan of \$6,800,000 dollars and the proposed RDA loan.

One of the advantages to the current proposal is that the RDA would be in first position on the property to be encumbered rather than second position to a commercial loan as originally proposed. One concern related to the proposal is the potential for negative impacts to future development of the collateral property because of the existence of a trust deed encumbering the property. The applicant has requested full amortization of the loan for a period of 20 years with a balloon payment at five years. The intention is to refinance the project after the construction period and wrap the loans into long term financing which would pay off the RDA loan. In order to reduce the period of encumbrance of the property, staff recommends that the call for the loan be at four years rather than five as proposed. This will limit the amount of time that the security property is encumbered.

Mr. Wilkinson recommended approval of the loan to Renaissance Place, LLC with the following terms:

1. Loan Value: \$550,000 dollars
2. Amortization Period: 20 years
3. Call: 4 years
4. Interest Rate: 3%
5. Payment Schedule: Monthly
6. Security: First Position Trust Deed
7. Other: This offer sunsets April 27, 2018, is not assignable, and may not be extended

Mr. Knowlton requested that for cash flow purposes, instead of Renaissance Place LLC, they desire to create a new entity which will be a single entity holder for the collateral lot.

Ms. Harris made a motion for approval of the amended revolving loan application for \$550,000, Renaissance Place LLC, Brian Knowlton, applicant. Ms. Holbrook seconded the motion.

A Mr. Lewis  
A Ms. Harris  
    Mr. Higginson (abstained)  
A Ms. Holbrook  
A Ms. Knight  
A Mr. Simonsen

Motion passed 5-0.

Ms. Holbrook inquired if the applicant would need to come back to the committee regarding the name change, and Mr. Wilkinson indicated that they would not.

#### **4. RDA Director's report and miscellaneous business.**

Mr. Wilkinson gave a report regarding the current RDA loans and a few pending loans. Ms. Holbrook inquired as to how much RDA loan money remained, and Mr. Wilkinson stated there was a good amount. Ms. Holbrook asked if there continue to be inquiries regarding RDA loans, and Mr. Wilkinson indicated that there were ongoing inquiries.

Mr. Simonsen made a motion to adjourn the RDA meeting. Mr. Higginson seconded the motion.

A Mr. Lewis  
A Ms. Harris  
A Mr. Higginson  
A Ms. Holbrook  
A Ms. Knight  
A Mr. Simonsen

Motion passed 6-0.

The meeting was adjourned at 8:01 p.m.

---

Chad Wilkinson, Redevelopment Director

# RDA Staff Report

**Subject:** Adoption of 2018 Amended and 2019 RDA Budget  
**Author:** Chad Wilkinson, RDA Director  
**Department:** Redevelopment Agency  
**Date:** June 12, 2018



---

## **Background**

Each year the Redevelopment Agency (RDA) Board of Bountiful City must adopt a budget for the upcoming fiscal year. The Board may also adopt an amended budget if necessary.

Staff has prepared an amended budget for FY 2018 and a final budget for FY 2019 for the Redevelopment Agency of Bountiful City.

## **Analysis**

The RDA budget includes two funds:

- Fund 72 – Loan Program
- Fund 73 – Administration and Operations

**Fund 72** - The Loan Fund administers the city's revolving loan program. Revenues for the fund include principle and interest payments from loans and transfers from fund balance. Expenditures are almost exclusively in the form of new loans. Since this fund has adequate balance to cover loans for the coming year, no new funds are budgeted for Fund 72 this year.

**Fund 73** – The Administration and Operations Fund is used to administer the RDA programs and projects. Revenues are primarily from tax increment. This year's budget anticipates collecting roughly \$1,097,450 dollars in new tax increment. The remainder of the revenue is from interest earnings and fund balance.

Expenditures in this fund include personnel, operating costs (materials, supplies, and services) and special projects. A total of \$4.2 million dollars has been budgeted for special projects for the coming year with revenues coming from a combination of Undesignated Fund Balance and new tax increment revenues. Special projects budgeted for next year include funding for the downtown plaza and professional services associated with the project, funding for extension of enhanced infrastructure along Main Street, and planning and redevelopment efforts surrounding the existing City Hall and Renaissance Towne Center. A reduction in administrative funding for the area is reflected in the budget as negotiated with the TEC.

**Department Review**

The budget has been reviewed by the RDA Director and the City Manager.

**Significant Impacts**

None

**Recommendation**

The RDA Board should adopt Resolution 2018-01 approving the Fiscal Year 2018 Amended RDA Budget and proposed Fiscal Year 2019 RDA Budget.

**Attachments**

-RDA Resolution 2018-01

-RDA Budget (included with the Bountiful City Budget Document) under separate cover

**RESOLUTION OF THE BOUNTIFUL REDEVELOPMENT AGENCY  
AMENDING THE 2017-2018 BUDGET AND  
APPROVING THE 2018-2019 FISCAL YEAR BUDGET**

WHEREAS, the Bountiful Redevelopment Agency has held a public hearing on the 12th day of June, 2018; and

WHEREAS, the Bountiful Redevelopment Agency has caused a notice of Public Hearing to be published in the Salt Lake Tribune, a newspaper of general circulation, on the 31<sup>st</sup> day of May, 2018, twelve days in advance of the public hearing date; and

WHEREAS, the Bountiful Redevelopment Agency has caused a copy of the proposed budget document to be available for public inspection during regular hours in the office of the Bountiful Redevelopment Agency, 790 South 100 East, Bountiful, Utah, for a period of at least three (3) days before the commencement of the public hearing; and

WHEREAS, the Bountiful Redevelopment Agency has considered all written and oral statements made at the public hearing objecting and supporting the Redevelopment Agency Budget based upon the evidence and testimony received at the public hearing.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Bountiful Redevelopment Agency that the 2017-2018 Bountiful Redevelopment Agency Budget is hereby amended and the 2018-2019 Bountiful Redevelopment Agency Budget is hereby approved as set forth in the Bountiful City Budget Document provided as Exhibit "A".

Approved and Adopted this \_\_\_\_\_ day of June, 2018.

---

Randy Lewis, Chairman  
Bountiful Redevelopment Agency

---

Attest: Chad Wilkinson, Director  
Bountiful Redevelopment Agency