

# BOUNTIFUL REDEVELOPMENT AGENCY

## Meeting Minutes of: Tuesday, June 12, 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, and Chris R. Simonsen; City Manager – Gary Hill; City Attorney – Clinton Drake; Redevelopment Director – Chad Wilkinson; City Engineer – Paul Rowland

Excused: John Marc Knight

1. Chairman Randy Lewis opened the meeting at 9:25 p.m. and welcomed those in attendance.
2. **Consider approval of minutes for March 27, 2018.**

Mr. Wilkinson noted that on page 2 of the minutes the loan call should read as 5 years rather than 4 years. Mr. Higginson made a motion to approve the minutes for March 27, 2018 with the correction. Ms. Holbrook seconded the motion.

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

Motion passed 5-0.

3. **PUBLIC HEARING: Consider approval of Resolution 2018-01; FY 2018 Amended RDA Budget and proposed FY 2019 RDA Budget.**

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

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.

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 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.

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

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

Mr. Higginson inquired regarding future plans for the enhanced infrastructure. Mr. Wilkinson stated that the original proposal to the TEC Committee was for one block south (south of 2nd South to 3rd South) and one block north (1st North to 2nd North). The timing for the north is not as critical as the south as there exists potential redevelopment which the city desires to tie in so everything gets built about the same time as to prevent interruptions later on.

**PUBLIC HEARING:** Chairman Lewis opened the public hearing at 9:29 p.m., and the hearing was closed at 9:30 p.m. with no comments from the public.

Mr. Higginson made a motion for approval of Resolution 2018-01; FY 2018 Amended RDA Budget and proposed FY 2019 RDA Budget. Ms. Holbrook seconded the motion.

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

Motion passed 5-0.

**4. Update and Discussion of Renaissance Pad A revolving loan application.**

Mr. Wilkinson explained that Bruce Broadhead approached the city regarding financing for the project on Pad A (Lot 9), Renaissance Towne Center. Mr. Broadhead asked if the RDA would be willing to consider going back to the first loan application, which was to use the property (Pad A, Lot 9) as collateral for the loan, which would put Bountiful City into a second position. There were two previously approved loan applications for this development. One loan application was last year – using Pad A as collateral – being in second position to a commercial loan. A new loan, which was approved earlier this year, used a separate parcel as collateral with the city being in first position. There are pros and cons to both scenarios. It is good to be in first position, but it would lock up another piece of property which could impact development. There is an expiration on the terms of the loans, but nothing has been rescinded and the applicant has accepted the terms. Staff is seeking direction regarding the two scenarios. Mr. Lewis asked for a recommendation, and Mr. Wilkinson noted that while it is advantageous to be in first position it would lock up the property from any other developers, and with the other scenario it is not advantageous to be in second position on a loan. Mr. Wilkinson noted that the property valuation has been completed, and there is an appropriate loan/value ratio on the property. Ms. Holbrook asked regarding the possibility of changing to first position in the future, and Mr. Wilkinson explained that the terms and structure of the loan would have to be redone, but everything would depend on the timing. Ms. Harris inquired as to what would bring about the best results. Mr. Wilkinson suggested that the first scenario might provide the best results. Mr. Broadhead explained that he is the unique position of having two lenders wanting to do things two different ways, and he asked the council to approve either approach so that he can go either direction. Mr. Lewis asked the council if they were at ease with the two loan scenarios, and the council noted that they were comfortable.

**5. RDA Director’s report and miscellaneous business.**

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

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

Motion passed 5-0.

The meeting was adjourned at 9:39 p.m.

  
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Chad Wilkinson, Redevelopment Director