



**REDEVELOPMENT AGENCY OF BOUNTIFUL CITY
AGENDA**

**Tuesday, May 28, 2023
Immediately following the City Council meeting**

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 by contacting the Bountiful Planning Office at 801-298-6190. Notification at least 24 hours prior to the meeting would be appreciated.

AGENDA

1. Welcome
2. Consider approval of Minutes for November 28, 2023.
 - Review
 - Action
3. Consideration of an RDA Loan for the construction of The Brooks Mixed-Use Development located at 220 North Main Street, The Brooks LLC, represented by Beau Ogzewalla, applicant
 - Review
 - Action
4. Adjourn

1 **DRAFT Minutes of the**
2 **BOUNTIFUL REDEVELOPMENT AGENCY**

3 Tuesday, November 28, 2023

4 8:33 pm
5
6

7 Official notice of the Redevelopment Agency Meeting was given by posting an Agenda at City
8 Hall and on the Bountiful City Website and the Utah Public Notice Website.
9

10
11 Location: Bountiful City Hall Chambers, 795 South Main Street, Bountiful, Utah
12

13 Present: Chairwoman Kendalyn Harris
14 Board Members Millie Segura Bahr, Jesse Bell, Kate Bradshaw, Richard
15 Higginson, Cecilee Price-Huish
16 RDA Director Francisco Astorga
17 City Manager Gary Hill
18 City Engineer Lloyd Cheney
19 Recording Secretary Maranda Hilton
20 Planning Admin. Asst. Samantha Harris
21

22
23 **WELCOME**

24 Chairwoman Harris opened the meeting at 8:33 pm and welcomed everyone.
25

26 **CONSIDER APPROVAL OF MINUTES FOR AUGUST 8, 2023**

27 Board member Price-Huish made a motion to approve the minutes from August 8, 2023, and
28 Board member Higginson seconded the motion. The motion passed with members Bahr, Bell,
29 Bradshaw, Harris, Higginson and Price-Huish voting “aye.”
30

31 **CONSIDER AMENDING THE TERMS OF A 2018 LOAN FOR RENAISSANCE PLACE**
32 **APTS. LOCATED AT 1509 SOUTH RENAISSANCE TOWNE DRIVE, BRUCE**
33 **BROADHEAD AND BRIAN KNOWLTON, APPLICANTS**

34 Mr. Francisco Astorga explained that the applicants are requesting an additional two-year
35 extension to their current RDA loan. He explained that staff recommends granting the two-year
36 extension but also advise increasing the interest rate from 3% to 7%. If the Council does not take any
37 action, the loan balance of \$441,697.98 will be due by December 31st.

38 The Board discussed the loan at length with the applicants, Mr. Broadhead and Mr. Knowlton.
39 The applicants were asked to submit more documentation about their plans and financial situation,
40 since the information on their loan extension application was very scant. They agreed to provide
41 more information.

42 Board member Bradshaw made a motion to approve the loan extension as recommended by
43 staff, and Board member Bell seconded the motion. The motion passed with members Bahr, Bell,
44 Bradshaw, Harris, Higginson and Price-Huish voting “aye.”
45
46
47

1 **ADJOURN**

2 Board member Higginson made a motion to adjourn the meeting and Board member Bahr
3 seconded the motion. The motion passed with members Bahr, Bradshaw, Harris, Higginson and
4 Price-Huish voting “aye.”

5
6 The meeting was adjourned at 9:14 pm.

Chairwoman Kendalyn Harris

City Recorder

PENDING

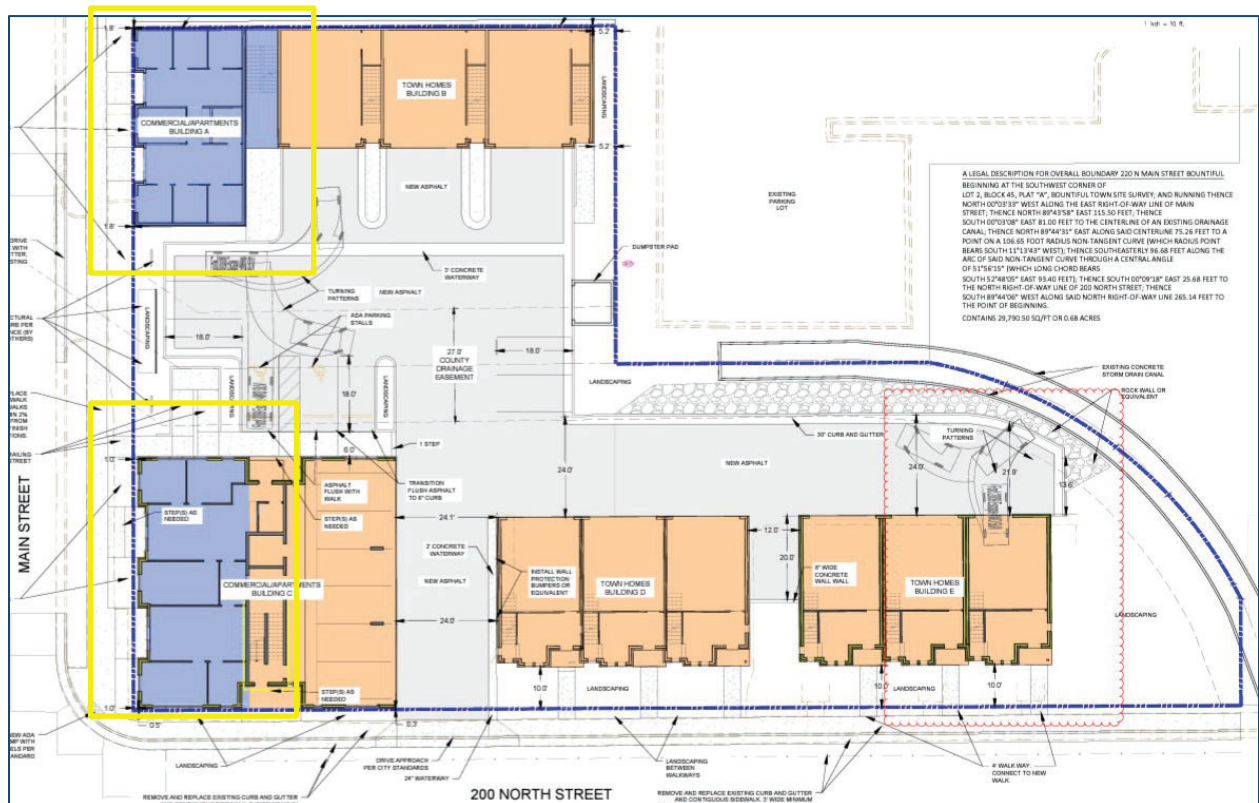
RDA Staff Report

Subject: The Brooks Mixed Use Development Loan
Property: 220 North Main Street
Author: Francisco Astorga, Agency Director
Date: May 28, 2024



Background

The Brooks LLC, represented by K. Beau Ogzewalla, requests an Economic Development and Business Enhancement Revolving Loan of \$450,000. The City approved a mixed-used development fronting Main Street consisting of twenty (20) residential units and 2,438 square feet of non-residential space, which is currently under construction. The approved development consists of mixed-use, required within the Downtown Zone, which would provide non-residential space along the Main Street storefront in the form of 2 three (3) story buildings depicted below.



The applicant indicates that they are providing \$950,000 out of developer equity and \$2,350,000 from their construction lender. The applicant indicates that total construction cost to be \$3,750,000 and hereby requests a loan amount of \$450,000.

Analysis

This loan request is larger than average but not unprecedented. The following is a list of loans provided by the RDA since 2005:

	Loan Status	Loan Amount	Year of Origination
Sean Druyon / Druyon Law LC	Paid	39,618.00	2005
HMC Invstmnt/CostaVida (HMC Investment)	Paid	90,000.00	2006
Creative Arts Academy (Jana Monson-acct 6800)	Paid	92,761.56	2009
Colonial Square Owner's Association, Inc.	Paid	750,000.00	2009
Skills Fitness	Paid	400,000.00	2010
Btfl Lumber/B Knowlton	Paid	250,000.00	2010
Historic Bntful Theater	Paid	600,000.00	2012
DesLandco-Duncan Electric	\$167,409.50 written-off in 2015	250,000.00	2012
SKC Orchard (Brian Knowlton)	Paid	200,000.00	2013
Village on Main (Larry/David Kocherhans)	Paid	260,000.00	2013
Timbermill Cabinets (Brad Hutchings)	Paid	175,000.00	2013
Xtra Automotive (aka Btfl 2600 Land, LLC)	Paid	400,000.00	2014
Wight House Reception Center (Dan Wight)	Paid	40,000.00	2015
Computech-Brett Anderson	Paid	40,000.00	2016
Creative Arts Academy (Stark Bldg Remodel)	Paid	42,874.00	2017
Colonial Square Owner's Association, Inc.	Ongoing payments	750,000.00	2018
Broadhead & Associates, LLC (extented 2 years)	Ongoing payments	550,000.00	2018
Renaissance Towne Centre Master Association	Ongoing payments	330,000.00	2021
		<u>5,260,253.56</u>	

The applicant is in the process of identifying the future tenant(s) of the non-residential Main Street storefront space as they are currently in discussions with various businesses owners. The RDA Board can consider approving the requested loan pending that the applicant provides the tenant. Once the tenant is identified, then the RDA can disperse the approved loan amount.

Department Review

This staff report was written by the Agency Director and reviewed by the City Manager.

Significant Impacts

Authorizing the requested loan would not delay the current construction schedule as the entire development is currently under construction. If the RDA does not approve the requested loan, the applicant may need to delay the final phase of the construction being the non-residential phasing to align construction funding sources.

Recommendation

Approve the loan request for the Brooks LLC for the construction of the mixed used development located at 220 North Main Street with the following parameters:

1. Loan Value: \$450,000
2. Amortization Period: 10 years
3. Call (Balloon Payment): 5 years
4. Interest Rate: 3%
5. Payment Schedule: Monthly

6. Security: Second Position Trust Deed
7. Fund Disbursement: The fund to be disbursed to the applicant once the applicant identifies the tenants.
8. Other: The loan may be repaid to the RDA early in whole, or in part, without premium or penalty.
This offer sunsets May 28, 2025, is not assignable, and may not be extended.

Attachments

1. Building A and Building C Front Elevation Renderings
2. Applicant's formal request dated May 10, 2024
3. Amortization Schedule



Building A



Building C

DATE: May 10th, 2024
TO: Bountiful City – Redevelopment Agency: Economic Development and Business Enhancement Revolving Loan Program
SUBJECT: The Brooks Mixed Use Development – Main St. Bountiful, UT

317 Capital Group, LLC
1148 West Legacy Crossing Blvd.
Suite 317
Centerville, UT 84014
PH: (801) 335-8205
E: Beau@317cap.com

Dear Council,

We appreciate the opportunity to provide information on our mixed-use project “The Brooks”, located on main street in beautiful Bountiful, UT.

Many of you may already be familiar with the Brooks project, but for those who are not, here is a brief overview.

IV. Project Information

- a. The Brooks property was purchased in 2020. It consisted of a few separate parcels, most of which were somewhat tired and rundown buildings. The most iconic and nostalgic building was the Brooks Fabric store that had been a staple along main street for many years. Because of this, we wanted to try and maintain some history with the development, and therefore will maintain the name in our mixed unit development “The Brooks”.

The development consists of a ground level commercial along main street (estimated two 1250 square foot spaces), with residential apartment style units (11 total) above the commercial space. Behind and going east along 200 north there will be residential townhome style units (9 total). I have attached some renderings for reference.

As of September of 2023, construction commenced. We elected to divide the project into 2 phases. Phase 1 would consist of all horizontal improvements as well as the 9 townhomes. Phase 2 would consist of the two commercial pads with accompanying apartments. All horizontal improvements have been completed or will be completed come Spring/ Summer of 2024. In addition to the horizontal improvements, the 9 townhome units have begun



construction (expected completion May 2024 and August 2024) and have been changed from a for rent product to individual ownership.

Originally, we had submitted application for an RDA loan in the amount of \$950,000. At the time of that submission, it was anticipated that we would build the entire project in one phase and all units would be for rent. Because of certain challenges with financing and costs, we elected to rework the project into 2 phases (for sale and for rent) and by doing so it allowed us to manage the variables and gain a better perspective on certain economic factors. Now that we are well underway and presold on a number of the for sale units, we feel confident in moving forward phase 2 of the project. It also allowed us to reduce the amount of funding that we are requesting from the RDA. The funds requested would allow us to move forward with the remaining portion of The Brooks by providing a critical component of the capital required to build phase 2. Between the construction loan provided by our lender, the RDA loan, and the sizable equity amount from the owner all funds would be used for the construction of and hard costs of the project.

- b. It is anticipated that the phase 2 projects costs would be an estimated \$3,750,000 and consist of the following.
 - i. Estimated \$2.35MM Construction loan. This loan would be in a first position lien against the property. All construction loan proceeds would be allocated to hard costs of the vertical construction of the project.
 - ii. \$450,000 RDA loan from Bountiful City. This would be a second lien against the property. All RDA loan proceeds would be allocated toward hard costs of the project.
 - iii. \$950,000 Owner equity. These funds have already been contributed to the project and would remain invested. The owner would provide any additional capital as needed.

*All funds above will be allocated to actual construction costs. The owner will not be receiving any fees, etc. out of these proceeds. While there will be some soft costs paid from construction budget such as GC fees, those will only be paid at time of completion. A fully detailed budget can be provided if needed.

V. Disclosures

- a. History and Description of the Business:
 - a. As it pertains to the developer of the project, 317 Capital Group, LLC has a long history of developing and financing ground up and rehab real estate development projects. Over the past 12 years, 317 and or its principals have participated in roughly \$200MM of residential, multi family, industrial and commercial projects. This includes both equity and debt participations. 317 itself as a tenant would initially bring a team of 5 employees with the potential to expand to 10. The other space would be determined at the time of lease up. The project is more fully described in the project information.



b. Use of proceeds:

- 1) The total project consists of roughly the following costs. Please note, this is not the entire project cost of The Brooks development, only the phase 2 portion:
- 2) \$950,000 land and soft costs.
 1. This consists of the owner equity used to acquire the land and other soft costs.
- 3) \$2.8MM Construction costs
 1. This consists of the construction loan and RDA funds.
- 4) Total Cost of \$3.75MM

The Brooks - Bountiful Main Street		
Capital Stack of Development (Phase 2)		
Source	Amount	Notes
Construction Lender	\$2,350,000.00	First position lien secured by the property
RDA Loan - Bountiful City	\$450,000.00	Second position lien secured by property. Subordinate to construction lender, but priority to developer equity.
Developer Equity	\$950,000.00	Subordinate to RDA and Construction Lender
<hr style="border-top: 3px double #000;"/> \$3,750,000		

c. Business Benefit Statement

- 1) The loan will provide needed capital to build and complete the project.
- 2) The project will provide fees and ongoing tax revenue to the city which will provide a much greater economic impact than the previous business and residences did. The project also improves values and adds additional residents that will contribute to supporting Bountiful businesses.
- 3) The project provides a service to the residents of the city by:



- 4) Potentially providing more businesses to provide needed services to residents.
- 5) It also improves main streets curb appeal while also replacing what was dilapidated building older buildings.
- 6) Provides much needed additional housing to Bountiful City

* Required if property or other satisfactory collateral is not available to secure the loan.

- d. Financial statements of businesses – Not needed
- e. Business Projections – Not needed
- f. Cash Flow Projection – Not needed
- g. List of obligations – Not needed

Thank you for your consideration.

Sincerely,

K. Beau Ogzewalla
Managing Partner



Brooks, LLC

Original Balance \$450,000
 Rate (Annual/Fixed) 3.00%
 Loan Period (Months) 60
 Ballon Payment (Maturity Date) TBD

Pmt #	Due Date	P&I Payment	Principal	Interest	Additional Principal	New Balance	Loan
							Origination Date
							TBD
							TBD
							\$4,345.23
						\$450,000.00	
1	TBD	\$ 4,345.23	\$ 3,220.23	\$ 1,125.00	0	\$446,779.77	
2		\$ 4,345.23	\$ 3,228.28	\$ 1,116.95	0	\$443,551.49	
3		\$ 4,345.23	\$ 3,236.35	\$ 1,108.88	0	\$440,315.14	
4		\$ 4,345.23	\$ 3,244.44	\$ 1,100.79	0	\$437,070.70	
5		\$ 4,345.23	\$ 3,252.55	\$ 1,092.68	0	\$433,818.15	
6		\$ 4,345.23	\$ 3,260.68	\$ 1,084.55	0	\$430,557.47	
7		\$ 4,345.23	\$ 3,268.84	\$ 1,076.39	0	\$427,288.63	
8		\$ 4,345.23	\$ 3,277.01	\$ 1,068.22	0	\$424,011.62	
9		\$ 4,345.23	\$ 3,285.20	\$ 1,060.03	0	\$420,726.42	
10		\$ 4,345.23	\$ 3,293.41	\$ 1,051.82	0	\$417,433.01	
11		\$ 4,345.23	\$ 3,301.65	\$ 1,043.58	0	\$414,131.36	
12		\$ 4,345.23	\$ 3,309.90	\$ 1,035.33	0	\$410,821.46	
13		\$ 4,345.23	\$ 3,318.18	\$ 1,027.05	0	\$407,503.28	
14		\$ 4,345.23	\$ 3,326.47	\$ 1,018.76	0	\$404,176.81	
15		\$ 4,345.23	\$ 3,334.79	\$ 1,010.44	0	\$400,842.02	
16		\$ 4,345.23	\$ 3,343.12	\$ 1,002.11	0	\$397,498.90	
17		\$ 4,345.23	\$ 3,351.48	\$ 993.75	0	\$394,147.42	
18		\$ 4,345.23	\$ 3,359.86	\$ 985.37	0	\$390,787.56	
19		\$ 4,345.23	\$ 3,368.26	\$ 976.97	0	\$387,419.30	
20		\$ 4,345.23	\$ 3,376.68	\$ 968.55	0	\$384,042.62	
21		\$ 4,345.23	\$ 3,385.12	\$ 960.11	0	\$380,657.50	
22		\$ 4,345.23	\$ 3,393.59	\$ 951.64	0	\$377,263.91	
23		\$ 4,345.23	\$ 3,402.07	\$ 943.16	0	\$373,861.84	
24		\$ 4,345.23	\$ 3,410.58	\$ 934.65	0	\$370,451.26	
25		\$ 4,345.23	\$ 3,419.10	\$ 926.13	0	\$367,032.16	
26		\$ 4,345.23	\$ 3,427.65	\$ 917.58	0	\$363,604.51	
27		\$ 4,345.23	\$ 3,436.22	\$ 909.01	0	\$360,168.29	
28		\$ 4,345.23	\$ 3,444.81	\$ 900.42	0	\$356,723.48	
29		\$ 4,345.23	\$ 3,453.42	\$ 891.81	0	\$353,270.06	
30		\$ 4,345.23	\$ 3,462.05	\$ 883.18	0	\$349,808.01	
31		\$ 4,345.23	\$ 3,470.71	\$ 874.52	0	\$346,337.30	
32		\$ 4,345.23	\$ 3,479.39	\$ 865.84	0	\$342,857.91	
33		\$ 4,345.23	\$ 3,488.09	\$ 857.14	0	\$339,369.82	
34		\$ 4,345.23	\$ 3,496.81	\$ 848.42	0	\$335,873.01	
35		\$ 4,345.23	\$ 3,505.55	\$ 839.68	0	\$332,367.46	
36		\$ 4,345.23	\$ 3,514.31	\$ 830.92	0	\$328,853.15	
37		\$ 4,345.23	\$ 3,523.10	\$ 822.13	0	\$325,330.05	
38		\$ 4,345.23	\$ 3,531.90	\$ 813.33	0	\$321,798.15	
39		\$ 4,345.23	\$ 3,540.73	\$ 804.50	0	\$318,257.42	
40		\$ 4,345.23	\$ 3,549.59	\$ 795.64	0	\$314,707.83	
41		\$ 4,345.23	\$ 3,558.46	\$ 786.77	0	\$311,149.37	
42		\$ 4,345.23	\$ 3,567.36	\$ 777.87	0	\$307,582.01	
43		\$ 4,345.23	\$ 3,576.27	\$ 768.96	0	\$304,005.74	
44		\$ 4,345.23	\$ 3,585.22	\$ 760.01	0	\$300,420.52	
45		\$ 4,345.23	\$ 3,594.18	\$ 751.05	0	\$296,826.34	
46		\$ 4,345.23	\$ 3,603.16	\$ 742.07	0	\$293,223.18	
47		\$ 4,345.23	\$ 3,612.17	\$ 733.06	0	\$289,611.01	
48		\$ 4,345.23	\$ 3,621.20	\$ 724.03	0	\$285,989.81	
49		\$ 4,345.23	\$ 3,630.26	\$ 714.97	0	\$282,359.55	
50		\$ 4,345.23	\$ 3,639.33	\$ 705.90	0	\$278,720.22	
51		\$ 4,345.23	\$ 3,648.43	\$ 696.80	0	\$275,071.79	
52		\$ 4,345.23	\$ 3,657.55	\$ 687.68	0	\$271,414.24	
53		\$ 4,345.23	\$ 3,666.69	\$ 678.54	0	\$267,747.55	
54		\$ 4,345.23	\$ 3,675.86	\$ 669.37	0	\$264,071.69	
55		\$ 4,345.23	\$ 3,685.05	\$ 660.18	0	\$260,386.64	
56		\$ 4,345.23	\$ 3,694.26	\$ 650.97	0	\$256,692.38	
57		\$ 4,345.23	\$ 3,703.50	\$ 641.73	0	\$252,988.88	
58		\$ 4,345.23	\$ 3,712.76	\$ 632.47	0	\$249,276.12	
59		\$ 4,345.23	\$ 3,722.04	\$ 623.19	0	\$245,554.08	
60		\$ 246,167.97	\$ 245,554.08	\$ 613.89	0	\$0.00	Ballon Payment