

RDA Chairman
Kenneth Romney

Executive Director
Duane Huffman

RDA Secretary
Cathy Brightwell

West Bountiful City Redevelopment Agency

550 North 800 West
West Bountiful, Utah 84087

Phone (801) 292-4486
Fax (801) 292-6355

RDA Board
James Ahlstrom
James Bruhn
Debbie McKean
Mark Preece
Kelly Enquist

**THE WEST BOUNTIFUL REDEVELOPMENT AGENCY
WILL HOLD A REDEVELOPMENT AGENCY (RDA) MEETING
ON TUESDAY, JUNE 2, 2015 AT 7:30 PM, AT THE
WEST BOUNTIFUL CITY HALL, 550 NORTH 800 WEST**

AGENDA AS FOLLOWS:

1. Approval of Minutes from the February 3, 2015 Meeting.
2. Public Hearing to Receive Input on the Fiscal Year 2016 Tentative Redevelopment Agency Budget, at 7:35 pm or as soon thereafter as possible.
3. Presentation by Mr. John Thackeray of the Thackeray Company regarding request to extend the Sales Tax Payment Period of the Participation Agreement for the West Bountiful Commons Redevelopment Project Area Plan.
4. Adjourn to City Council Meeting.

According to the American's with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during the meeting should contact Cathy Brightwell (City Recorder) at (801) 292-4486

This agenda was posted on the State Public Notice website, the City website, emailed to the Redevelopment Agency Board, and sent to the Clipper Publishing Company on May 28, 2015.

**WEST BOUNTIFUL
REDEVELOPMENT AGENCY**

**FEBRUARY 3, 2015
PENDING**

Minutes of the West Bountiful Redevelopment Agency Meeting held on February 3, 2015, held at 550 N 800 West, West Bountiful, Utah.

Those Present: Mayor Ken Romney; Council members James Ahlstrom, James Bruhn, Kelly Enquist, Debbie McKean; Duane Huffman (Executive Director); Cathy Brightwell (Secretary), Ben White, Chief Hixson, Steve Maughan, Paul Holden

1. Consider Resolution R190-15, a Resolution approving an amended interlocal agreement between the Redevelopment Agency of West Bountiful City, the Redevelopment Agency of Woods Cross City (the “Agencies”), and Davis County (the “County”) which diverts certain tax increment funds within the Joint Legacy CDA to the Agencies, and authorizes the Agency Chair to sign the amended interlocal agreement in its substantially final form.

This Resolution moves the trigger date back a few more years as no development has occurred.

MOTION: James Bruhn moved approve Resolution R190-15. Debbie McKean seconded the motion which passed.

Voting was recorded as follows:

James Ahlstrom – Aye
Mark Preece – Aye
James Bruhn – Aye
Kelly Enquist– Aye
Debbie McKean – Aye

2. Consider Resolution R191-15, a Resolution approving an amended interlocal agreement between the Redevelopment Agency of West Bountiful City (the “Agency”) and Davis County (the “County) which diverts certain tax increment funds within the West Bountiful Legacy CDA to the Agency, and authorizes the Agency Chair to sign the amended interlocal agreement in its substantially final form.

**WEST BOUNTIFUL
REDEVELOPMENT AGENCY**

**FEBRUARY 3, 2015
PENDING**

35 **MOTION:** James Bruhn moved to approve Resolution R191-15. Debbie
36 McKean seconded the motion which passed.

37 Voting was recorded as follows:

- 38 James Ahlstrom – Aye
- 39 Mark Preece – Aye
- 40 James Bruhn – Aye
- 41 Kelly Enquist – Aye
- 42 Debbie McKean – Aye

43

44 3. Consider Resolution R192-15, a Resolution approving an amended interlocal agreement
45 between the Redevelopment Agency of West Bountiful City (the “Agency”) and West
46 Bountiful City (the “City) which diverts certain tax increment funds within the West
47 Bountiful Legacy CDA to the Agency, and authorizes the Agency Chair to sign the
48 amended interlocal agreement in its substantially final form.

49

50 **MOTION:** James Bruhn moved to approve Resolution R192-15. Debbie
51 McKean seconded the motion which passed.

52

53 Voting was recorded as follows:

- 54 James Ahlstrom – Aye
- 55 Mark Preece – Aye
- 56 James Bruhn – Aye
- 57 Kelly Enquist – Aye
- 58 Debbie McKean – Aye

59

60 4. Consider Resolution R193-15, a Resolution approving an amended interlocal agreement
61 between the Redevelopment Agency of West Bountiful City, the Redevelopment
62 Agency of Woods Cross City (the “Agencies”), and West Bountiful City (the “City”)
63 which diverts certain tax increment funds within the Joint Legacy CDA to the Agencies,
64 and authorizes the Agency Chair to sign the amended interlocal agreement in its
65 substantially final form.

66

67 **MOTION:** James Bruhn moved to approve Resolution R193-15. Debbie
68 McKean seconded the motion which passed.

69

70 Voting was recorded as follows:

WEST BOUNTIFUL
REDEVELOPMENT AGENCY

FEBRUARY 3, 2015
PENDING

71 James Ahlstrom – Aye
72 Mark Preece – Aye
73 James Bruhn – Aye
74 Kelly Enquist – Aye
75 Debbie McKean – Aye
76

77 5. Approve Minutes from the June 16, 2014 Meeting.
78

79 **MOTION:** James Bruhn moved to approve the minutes from the June 16, 2014,
80 RDA meeting. Debbie McKean seconded the motion which passed by unanimous
81 vote of all members present.
82

83 6. Adjourn the RDA meeting.
84

85 **MOTION:** James Bruhn moved to adjourn the RDA meeting at 9:12 pm. Debbie
86 McKean seconded the motion which passed by unanimous vote of all members
87 present.
88

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90

91 *The foregoing was approved by the West Bountiful RDA by unanimous vote of all members present on*
92 *Tuesday, June 2, 2015.*

93

94

95 *Cathy Brightwell (RDA Secretary)*

96

Mayor
Kenneth Romney

WEST BOUNTIFUL CITY

City Administrator
Duane Huffman

City Council
James Ahlstrom
James Bruhn
Kelly Enquist
Debbie McKean
Mark Preece

550 North 800 West
West Bountiful, Utah 84087

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City Recorder
Cathy Brightwell

City Engineer
Ben White

Public Works Director
Steve Maughan

NOTICE OF PUBLIC HEARING

Notice is hereby given that the West Bountiful City Council and Redevelopment Agency will hold a public hearing on June 2, 2015 at 7:35 pm, or as soon thereafter as possible, at the City offices, 550 North 800 West, West Bountiful, Utah, 84087.

The purpose of the hearing is to receive input on the FY-2016 Tentative Redevelopment Agency Budget.

A copy of the proposal may be viewed during regular business hours at the City Offices, or on the City website: www.wbcity.org. All interested parties are invited to participate in the hearing. Written comments may be submitted to the City Offices prior to the meeting.

Cathy Brightwell
City Recorder



January 20, 2015

VIA FEDERAL EXPRESS

Mayor Ken Romney
City Manager
West Bountiful City
550 North 800 West
West Bountiful, Utah 84087

Re: The Commons at West Bountiful

Dear Mayor Romney,

In 2002 we began working on The Commons at West Bountiful. Although the Participation Agreement with the City which formalizes the obligations of the various parties is dated June 30, 2004, work on the project began several years earlier. It was an extremely complicated project, involving 27 property owners. The project included numerous buildings in widely different states of repair and included some derelict, rat infested buildings. As you will recall, the area was severely underutilized with many vacant parcels and buildings. It was a "redevelopment project" in the truest sense of the word. The development of this portion of West Bountiful required a developer with sufficient determination to go the extraordinary lengths necessary to clean up the property.

We ran into issues with several property owners that wanted unrealistic prices for their property and we had numerous meetings with City officials before we agreed on the final terms and conditions upon which those parcels were purchased. The only way we could proceed on the project was with the commitment made by the Agency, using monies received from the City, to reimburse us for a portion of the costs for acquisition and development of the project. Those agreements were reduced to writing in the Participation Agreement. There is one amendment to the Participation Agreement dated July 5, 2005 which included notice that the Participant's rights under the agreement had been assigned to West Bountiful Commons Partners, L.C. Reference to the Participation Agreement in this letter refers to the Participation Agreement as amended. The Participation Agreement provides that the developer is to be reimbursed approximately \$15,624,373 (see below).

At the time we started the redevelopment process, Randy Sant was retained as a consultant to the City and/or The West Bountiful City Redevelopment Agency (the "Agency"). Randy, I believe in conjunction with Jason Burningham, provided economic analysis regarding the projected tax increment and sales tax that could be generated from the project. After careful consideration of all available information, we decided to proceed with the project. As you know, the development of the project has been completed and continues to be a boon to the City. I believe that a review of history

of the development would show that the development was constructed as promised and when promised. In fact, I have been in meetings on several occasions in which Jason Burningham has stated that we not only complied with the requirements that the City imposed on us, but that we in fact exceeded those requirements and developed a shopping center that is truly a benefit to the City. The architecture, variety of tenants and quality of tenants have resulted in a project that is a significant asset to the City and its residents.

As you know, our anticipated receipt of the approximately \$15.6 Million "Participation Obligation" under the Participation Agreement was based solely on projected receipt of tax increment and sales tax. We fully acknowledge that the Agency's obligation to pay the Participation Obligation is based on actual monies received for real property tax increment and sales tax related to the project.

As amended, the Participation Agreement provides that Tax Increment received by the Agency would be paid to the Participant "over a twenty-five (25) year period of time." The Participation Agreement provides that the Sales Tax would initially be paid "for an initial period of ten (10) years which is defined as the "Sales Tax Payment Period." The Sales Tax Payment Period began January 2006, which was the date we received the first payment of Sales Tax. We note, however, that since it was uncertain at the time of our discussions with the Agency and the City whether or not the Participant would receive the Agency's portion of the Participation Obligation during the initial ten (10) years, the parties agreed to the following language which is in Section 3.3.4.2 of the Participation Agreement:

In the event that Participant has complied with its development obligations with respect to Phases I, II and III and has not received the total amount of the Agency's Participation Obligation, including the Completion Incentive, prior to the expiration of the initial ten (10) year Sales Tax Payment Period, the Agency shall seek, in good faith, to obtain an extension from the City of the Sales Tax Payment Period for the amount of time estimated to be necessary for Participant to receive the full amount of the Participation Obligation that Participant is entitled to receive; provided, however, that in no event shall such extension be longer than an additional ten (10) years.

In Section 3.3 of the Participation Agreement, the Participation Obligation is defined as follows:

Participation Obligation (see Section 3.3.1)	\$10,800,000
Interest (through 12/31/13) (see Section 3.3.2)	<u>2,824,373</u>
Sub-total	\$13,624,373
Completion Incentive (see Section 3.4)	<u>2,000,000</u>
Total Obligation	\$15,624,373

Mayor Ken Romney
January 20, 2015
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As the Agency records will show, the total of the payments applicable to the Participation Obligation that have been paid to us as the "Participant" under the Participation Agreement through December 31, 2014 is:

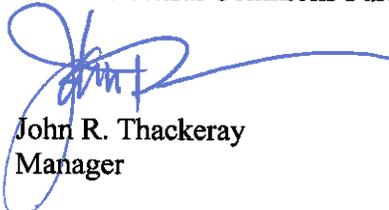
Sales Tax	\$2,462,435.58
Property Tax Increment	<u>\$1,210,279.17</u>
Total	\$3,672,714.75

Currently, \$11,951,658 of the Participation Obligation remains unpaid. Based on the date that the first payment of Sales Tax was received, as noted above, the initial ten (10) year period will expire December 31, 2015. Based on the payment history for both the Tax Increment and Sales Tax, it is unreasonable to expect that the full amount of the Participation Obligation will be paid prior to the end of that initial ten (10) year period. Therefore, it is respectfully requested that the Agency formally request an extension of the Sales Tax Payment Period from the City as contemplated by Section 3.3.4.2 of the Participation Agreement. Based upon the payment history for both the Tax Increment and Sales Tax, we request that the extension be for the full ten (10) years permitted by Section 3.3.4.2.

While the initial ten (10) year Sales Tax Payment Period expires in December 2015, we are in the process of refinancing this project. As you would expect, as part of the underwriting for any new loan secured by the project, it is critical that agreements be in place which will permit the Participant to receive the full amount of the Participation Obligation as originally agreed in the Participation Agreement. An extension of the Sales Tax Payment Period will not change the fact that the Agency's obligation to pay is always subject to the City's and the Agency's actual receipt of the Tax Increment and Sales Tax which can then be remitted through the Agency to the Participant as contemplated by the Participation Agreement as agreed to in 2004.

We continue to appreciate our relationship with the City. Please advise if we can provide additional information that will be useful in support of the Agency's request to the City for an extension of the Sales Tax Payment Period. We will, of course, make ourselves available to attend meetings of the Agency or the City Council as invited to assist in the preparation and approval of the requested extension.

Very truly yours,
West Bountiful Commons Partners, L.C.



John R. Thackeray
Manager

cc: Duane Huffman, City Manager
Read R, Hellewell
Craig Smith
Jason Burningham