

Resolution No. RD 21-10

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF SANDY CITY AUTHORIZING THE EXECUTION OF AN ADDENDUM TO THE TAX INCREMENT PARTICIPATION AGREEMENT WITH RADDON SUMMIT, LLC RELATING TO DEVELOPMENT WITHIN THE CIVIC CENTER NORTH REDEVELOPMENT PROJECT AREA.

WHEREAS the Redevelopment Agency of Sandy City (the “Agency”) has been created by the Sandy City Council to transact the business and exercise all of the powers provided for by Title 17C of the Utah Code Annotated, “Limited Purpose Local Government Entities—Community Reinvestment Agency Act” (the “Act”);

WHEREAS, the Agency, in furtherance of the purposes of the Act and the Project Area Plan for the Civic Center North Redevelopment Project Area (the “Project Area”), entered into a Tax Increment Participation Agreement with Raddon Summit, LLC dated October 22, 2019 (as previously amended, the “Agreement”), relating to land located at or near the intersections of Monroe Street, Mall Ring Rd, and 10200 South and Centennial Pkwy, as applicable, in Sandy City, in the Project Area; and

WHEREAS, the Agency has determined that the Agreement needs to be modified as set forth in the Addendum No. 1 attached hereto in substantially final form as **Exhibit A**.

NOW, THEREFORE, BE IT RESOLVED BY GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF SANDY CITY:

1. The Addendum in substantially the form attached hereto as **Exhibit A** is hereby approved, and the Executive Director of the Agency is authorized and directed to execute the same for and on behalf of the Agency. The Executive Director is authorized to approve any minor modifications, amendments, or revisions to the Addendum as may be in the Agency’s best interest and in harmony with the intent and purpose of the Addendum, and the Executive Director’s signature upon the final Addendum shall constitute the Agency Board’s acceptance of all such minor modifications, amendments, or revisions.

2. This resolution takes effect upon adoption.

THIS RESOLUTION IS APPROVED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF SANDY CITY on this November 16, 2021.

DocuSigned by:
Alison Strand
7BA48C9903AC456...
Chair

Attest:

DocuSigned by:
Cynthia Hill
925F28D1F3FC432...
Secretary



Exhibit A

Form of Addendum

ADDENDUM NO. 1 TO TAX INCREMENT PARTICIPATION AGREEMENT

THIS ADDENDUM NO. 1 TO TAX INCREMENT PARTICIPATION AGREEMENT (this “**Addendum**”) is dated effective as of November 9, 2021 (the “**Effective Date**”), by and between the Redevelopment Agency of Sandy City, a Utah political subdivision (“**Agency**”) and Raddon Summit, LLC, a Utah limited liability company (“**Company**”). This Addendum is to be attached to, and is made an integral part of, Tax Increment Participation Agreement dated October 22, 2019 (the “**Original Agreement**” and as amended by this Addendum, and any other addenda, the “**Agreement**”), entered into by and between the Agency and the Company, relating to land located at or near the intersections of Monroe Street, Mall Ring Rd, and 10200 South and Centennial Pkwy, as applicable, in Sandy City (the “**Property**” as described in the Original Agreement). If there is a conflict between the terms of this Addendum and the terms of the Original Agreement, the terms in this Addendum will control. The Original Agreement is modified as follows:

1. **PSA.** The Original Agreement references a PSA. The PSA has been amended prior to the Effective Date of this Addendum, and is also being amended on or about the Effective Date of this Addendum. All references in the Agreement to the PSA include any amendments to the PSA, including all past, contemporaneous, or future amendments to the PSA.
2. **Phasing.** The Original Agreement referred to three Phases, Phases 1, 2 and 3, respectively. The Development Project now will consist of only two Phases, known now as the “**Hotel/Residential Phase**” and the “**Office Phase**”, respectively. The “**Office Phase**” is generally what was previously known as “**Phase 1**” and the “**Hotel/Residential Phase**” is generally what was previously known as “**Phase 2**” and “**Phase 3**” collectively. The “**Office Phase**” refers to the portion of the Development Project to be located on all of the portion of the Land located West of Monroe Street, while the “**Hotel/Residential Phase**” refers to the portion of the Development Project to be located on all the portion of the Land located East of Monroe Street. Any reference in the Original Agreement to “**Phase 2**” now means the “**Hotel/Residential Phase**” and any reference in the Original Agreement to “**Phase 1**” now means the “**Office Phase**”. Any reference in the Original Agreement to the “**Phase 1 Parking Structure**” now means the “**Office Parking Structure**” and any reference in the Original Agreement to the **Phase 2 Parking Structure** now means the “**Hotel/Residential Parking Structure**”.
3. **Occupiable Sky Floor.** The Original Agreement referred to certain “**Occupiable Sky Floor**” anticipated to be constructed over Monroe Street. That Occupiable Sky Floor is no longer a part of the Development Project. Any obligation relating to the Occupiable Sky Floor is hereby terminated, and any condition relating to the Occupiable Sky Floor is likewise hereby eliminated from the Agreement.
4. **Company Commitments.** Subsection 1.a, 1.b and 1.c of the Original Agreement are each deleted and entirely replaced with the following, respectively (any language shown in ~~strikethrough~~ is shown solely for purposes of illustrating the difference from the Original Agreement language; any language shown in ~~strikethrough~~ is no longer a part of the Agreement):

- a. The Company must, by or before the deadline for completion as specified in the PSA (and the expiration of all applicable notice and cure periods), substantially complete construction, as evidenced by obtaining a temporary certificate of occupancy, of a parking structure (the “~~Phase 1~~ Office Parking Structure”) with at least (i) ~~if the Company elects to construct Phase 1 before Phase 2, 500 400 parking stalls in Phase 1 of the Project, or (ii) if the Company elects to construct Phase 2 before Phase 1, the number of stalls required to have at least 1,500 400 parking stalls.~~
 - b. The Company must, by or before the deadline for completion as specified in the PSA (and the expiration of all applicable notice and cure periods), substantially complete construction, as evidenced by obtaining a temporary certificate of occupancy, of a parking structure (the “~~Phase 2~~ Hotel/Residential Parking Structure”), with at least: (i) ~~if the Company elects to construct Phase 2 before Phase 1, 1,000 parking stalls in Phase 2 of the Project, or (b) if the Company elects to construct Phase 1 before Phase 2, the number of stalls required to have at least 900 parking stalls.~~
 - c. The Company must make the entire Office Phase 1—Parking Structure and Hotel/Residential Phase 2—Parking Structure available for use by Sandy City and/or the general public on at all times outside of normal business hours as reasonably determined by the Company; provided, the Company may reserve stalls for uses by the Hotel, including valet parking and exclusive hotel guest parking, up to 700 stalls for residential/condominium units and limited reserved office parking. Despite anything in this Agreement to the contrary, the rights of Sandy City and/or the general public to use the Phase 1 Parking Structure and Hotel/Residential Phase 2— Parking Structure survive perpetually for as long as either of those structures remain in operation.
5. **Post Performance Reimbursement.** Subsection 2.a, 2.b, 2.c and 2.d of the Original Agreement are each deleted and entirely replaced with the following, respectively (any language shown in ~~strikethrough~~ is shown solely for purposes of illustrating the difference from the Original Agreement language; any language shown in ~~strikethrough~~ is no longer a part of the Agreement):
- a. Within 60 days after the date the Company has timely obtained a temporary or permanent certificate of occupancy for all of the improvements included within the “Office Phase” “~~Phase 1~~” as defined by the PSA (including, without limitation, the Office Phase 1—Parking Structure), the Agency will make a one-time cash payment to the Company in the amount of \$662,354, as reimbursement for a portion of the Company’s expenses in constructing the Office Phase 1—Parking Structure. Upon request by the Agency, the Company must first provide evidence of payment of at least \$662,354 in costs towards the construction of the parking facilities. To be clear, this one-time payment is not conditional on the receipt of any tax increment by the Agency. The foregoing is conditioned only on satisfaction of the obligations under Sections 1a., c. (with respect to the Office Phase 1— Parking Structure), e (if applicable), f. and g.

- b. Within 60 days after the date the Company has timely obtained a temporary or permanent certificate of occupancy for the hotel and parking structure ~~all of the improvements~~ included within the “Hotel/Residential Phase 2” as defined by the PSA (including, without limitation, the Hotel/Residential ~~Phase 2~~ Parking Structure), the Agency will make a one-time cash payment to the Company in the amount of \$3,495,548, as reimbursement for a portion of the Company’s expenses in constructing the parking facilities associated with the Hotel/Residential Phase-2. Upon request by the Agency, the Company must first provide evidence of payment of at least \$3,495,548 in costs towards the construction of those parking facilities. To be clear, this one-time payment is not conditional on the receipt of any tax increment by the Agency.
- c. In addition to each of the two one-time cash payments specified in subsections 2.a. and 2.b. *above*, the Agency will pay to the Company annually, beginning with a payment for the first year in which construction commences on any improvement in the Office Phase or the Hotel/Residential Phase ~~Phase 1~~ and ending with a final payment for the final year of the remaining tax increment collection period for the Project Area under the Interlocal Agreements, which is currently 2034 ~~2032~~ (each such annual payment is referred to as an “Annual Increment Payment”), 85% of all tax increment revenues generated, and actually received by the Agency from Salt Lake County, in any year from the Project. The Agency will retain the remaining 15% of tax increment revenues for other Agency uses/obligations as permitted under the Plan and/or the Interlocal Agreements. Until a Phase 2 is required to be complete pursuant to the PSA, the foregoing payments are conditioned only on satisfaction of the obligations under Sections 1a. (if the Company has completed the Office Phase), 1.b. (if the Company has completed the Hotel/Residential Phase, 1c. (with respect to the parking structure constructed on the applicable phase, ~~Phase 1 Parking Structure~~), e (if applicable), f. and g.
- d. The Agency will continue making Annual Increment Payments until the Agency no longer has the right to receive tax increment from the Project Area because the final year of the tax increment collection period (2034~~2032~~), has passed.

[End of Terms – Signature Page Follows]

**THIS ADDENDUM NO. 1 TO TAX INCREMENT PARTICIPATION AGREEMENT IS
AGREED TO BY AND BETWEEN:**

SELLER: Redevelopment Agency of Sandy City

Executive Director

Attest:

RDA Secretary

BUYER: Raddon Summit, LLC

Name:

Title: