



# Redevelopment Agency of Sandy City

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## Memorandum

**To:** Sandy City Redevelopment Agency Board  
**From:** Kasey Dunlavy, Economic Development Director  
**Date:** December 4, 2024

**RE:** Amendment to Tax Increment Participation Agreement Redsky, LLC.

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### Purpose of Amendment:

This memorandum outlines an amendment to the Tax Increment Participation Agreement originally approved by the Redevelopment Agency (RDA) Board on April 16, 2024, between the RDA and Redsky, LLC.

The amendment specifically modifies **Section 2.b.ii** of the agreement to provide additional time for the developer to finalize construction financing, while maintaining strict conditions for the agreement's continuation.

### Summary of Changes

- Modification to Section 2.b.ii:**
  - Original Language:** Required the Company to obtain a construction loan by October 15, 2024, conditional only upon receipt of the Payment proceeds from the Agency.
  - Amended Language:** Extends the deadline to March 15, 2025 (“Funding Deadline”) for the Company to secure a construction loan, with the finalization of the loan still contingent only on receipt of Payment proceeds from the Agency.
- Automatic Termination Provision:**
  - If the loan condition is not met by March 15, 2025, the agreement will immediately and automatically terminate.
  - This amendment removes the 60-day cure period previously allowed under Section 4 of the original agreement.

### Reason for Amendment

The developer is nearing the final stages of obtaining the necessary city approvals and finalizing financing but requires additional time due to the following ongoing tasks:

- Plat Approval:** An abandoned power easement needed to be vacated and shown on the plat.
- Site Plan Adjustment:** Minor changes to the south end of the building's footprint needs to be reflected on the site plan. These adjustments do not involve code changes.
- Structural Decision:** Value engineering has presented two foundation type options. The final choice is pending contractor review and approval.
- Finalize/Closing on Financing**

These final steps are required to obtain final approvals with planning and provide the Developer adequate time to finalize and close on the construction loan. The proposed amendment ensures the developer can meet these conditions and have full approvals by or before the Funding Deadline.

**Recommendation**

The amendment aligns with the RDA's commitment to supporting viable projects within The Cairns while ensuring appropriate safeguards are in place. Staff recommends extending the funding deadline to March 15, 2025, which provides the developer the necessary flexibility to finalize all requirements and move forward with construction financing.