

Meeting of the Redevelopment Agency of Sandy City

November 9, 2021 – Online/In Person Meeting  
City Council Chambers, Sandy City Hall  
10000 South Centennial Parkway, Sandy, Utah  
**MINUTES**

**Council members present:** Chair Alison Stroud, Cyndi Sharkey, Zack Robinson, Brooke Christensen, Kristin Coleman-Nicholl, Marci Houseman, Monica Zoltanski.

**Mayor:** Kurt Bradburn

**Others in Attendance** Christine Edwards, Council Office, Tom Ward, Public Utilities Director, Lynn Pace, City Attorney, Dan Medina, Parks and Recreation Director, Nick Duerksen, Economic Development and RDA Director, Jason Burningham, Financial Consultant Lewis Young Robertson and Burningham

1. Motion to convene Redevelopment Agency meeting

Motion was made by Board Member Christensen to recess the meeting of the City Council and convene the Sandy City Redevelopment Meeting. Board Member Nicholl seconded the motion with all voting “yes”

The Redevelopment Agency Meeting commenced at 7:24 p.m.

2. Discussion regarding an Addendum to the Purchase Sale Agreement with the KC Gardner Company L.C., relating to certain vacant land located between Monroe Street and I-15, just South of Sego Lily Dr.

Nick Duerksen stated the Addendum replaces the previous approved Agreement. Instead of a primarily office component, it will be a a mixed-use component. This addendum is based on previous concept and design approved by the Council with the Addendum changes.

3. Discussion regarding an Addendum to the Tax Increment Participation Agreement with the KC Gardner Company L.C. relating to new commercial development within the Civic Center North Redevelopment Project Area.

Nick stated the new Addendum specifies the minimum number of parking stalls, housing units, and square footage of flex-office retail space to be built. The Gardner Company must build the minimums to be able to receive the tax increment. Some of the Tax Increment will go to the parking structure. The Redevelopment Agency will also provide approximately 750,000 of the participated Tax Increment towards 10 housing units until

2034 as affordable housing. Those renting the units will be required to provide 80% or less of the county median income. The rent can not exceed more than 27% of their total household income.

4. Discussion regarding an Addendum to the Purchase Sale Agreement providing, generally, for the sale of certain vacant land located just north of the Shops at South Town along Monroe Street, to Raddon Summit, LLC.

Nick provided a summary of the packet and analysis provided by Jason Burningham, financial consultant to the RDA to the Board members. This included a breakdown of the Addendum and analysis and how the development is apportioned with the parking structure and the affordable housing.

5. Discussion regarding an Addendum to the Tax Increment Participation Agreement with Raddon Summit, LLC relating to the new commercial development within the Civic Center North Redevelopment Project Area.

Nick described the lay out of the Addendum and changes. The developer is required to build a minimum 200 room full service hotel, 10,000 square feet meeting space, 10,000 square feet of retail/restaurant space, and a minimum of 260 residential units. This also allows the city to estimate what other improvements are needed for the development such as roads, sidewalks, dry creek realignment, and conservation areas. This addendum also adjusts the final purchase price. The developer will be purchasing a little more square footage needed for flood control. The new phasing of the development will be hotel and residential all at once, the office will be in the second phase. This is reflected in the agreement. The agreement also provides public parking within the parking structure for the community and event parking for the Promenade.

6. Discussion and presentation of documents and process for the UDOT State Infrastructure Bank loan for the Summit Project

Nick introduced Jason Burningham to the Board. Jason provided a summary of the State Infrastructure Bank Loan. He explained how the loan fits into the funding of the Summit development and provides a funding mechanism for the parking structure. He explained the loan process to the Board and how the City will enter into an agreement with the State, and the RDA will provide the security of the loan through tax increment. The loan details will be set through a Parameters Resolution approved by the City Council. November 16, 2021 could be the date the Parameters Resolution is considered and approved. The City won't sign the loan until the terms have been set. That will come back next year. It won't impact the City's bond rating as the RDA is providing the security.

Board member Robinson wanted clarification that UDOT can only lend Sandy City money and Sandy City will be the vehicle to loan the RDA the funds which will allow Raddon development to access the funds. Nick explained the RDA provides the back stop

to the City, the City is the one that enters into the agreement with UDOT. The RDA pledges the Tax Increment but also any of the other securities including the land. The County quarter of the quarter money is not at risk here. The RDA will back stop the SIB funds. Board Member Robinson wanted to add the Council will have the answers to the loan details and questions before the council even says yes, because the term sheet will be disclosed to the council prior to the loan agreement. Board member Robinson likes the idea as there is minimal risk to Sandy City because the RDA is protecting the City. Raddon Development has more of the risk, and he is happy with how Ron Raddon does business.

Lynn Pace wanted to qualify one of the statements stating there is a risk to the city. With the State funding the money instead of the developer, if the developer does not pay the money because the project goes belly up for whatever reason, the City is still obligated for the money. The funding will then come from the RDA. If the developer does not pay the RDA, the RDA will be out that money. Board Member Robinson stated he understood the risk and felt like the risk was very minimal because of the back stops that are already built within the process. He stated it will be State money the city is dealing with, right now the money is not coming out of Sandy City's general fund.

Board member Zoltanski stated Sandy City would still be left with a parking structure and land that is approximately 20 acres to sell if needed.

Board member Zoltanski wanted to know what criteria Nick applied to this project to compare with other projects that had merit for the SIB money. Nick responded it was specifically acknowledged by Senator Cullimore as a project when creating the Bill. Additionally, both South Jordan and Millcreek have projects as well that the 30 million could help with. Nick stated the The Summit project was specifically called out when creating the Bill. Board member Zoltanski wanted to know if there are other projects in the pipeline that qualify for similar funding. Nick noted the RDA has already applied for SIB money for the Spring to help with the Gardner #2 development parking structure. The RDA has applied for 5 million dollars for that parking structure. Nick explained that the RDA will continue to look for these opportunities. Board member Zoltanski acknowledged that the design standards of the Carins are higher than any other place in the City. Further, she wanted to know more about the public parking component details. Nick described how it was going to be public access, some of the parking would be restricted for the residential. The balance of the parking will be open. Board member Zoltanski questioned how satisfied the RDA is being in this subordinate position. Nick pointed out this is the RDA's role. Nick also added, short of the TRT bond on the stadium, the RDA is out of debt. The RDA has no bond obligations and has paid off all other obligations other than the ongoing participation projects. This allows the RDA to be liquid to provide security for these loans.

Jason also reminded the Board, the parking structures have always been at the top of the list priority wise.

Board Member Zoltanski wanted to know if there is any built-in transaction cost or city increase. Nick reassured the Board there are no extra costs.

Nick summarized the 5 items the City Council and RDA Board will be approving on November 16<sup>th</sup>. On the City side, the Council will adopt the Parameters Resolution for the State SIB. On the RDA side, the Board will adopt the Addendum to the Purchase Sale Agreement with the KC Gardner Company, the Addendum to the Tax Increment Participation Agreement with the KC Gardner Company L.C., and both addendums for the Summit Project

7. Motion to approve minutes for October 19, 2021

Motion made by Board member Christensen to approve minutes for October 19, 2021. Board member Robinson second the motion with all voting yes.

8. Motion to adjourn Redevelopment Agency Meeting: Board Member Christensen made a motion to recess the meeting of the RDA. Board Member Houseman seconded the motion, with all voting “yes”.

The meeting recessed at 8:02 p.m.

ATTEST:

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Alison Stroud – Chairman

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Cyndie Nell- Secretary