

Resolution No. RD 21-08

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF SANDY CITY AUTHORIZING THE EXECUTION OF AN ADDENDUM TO THE TAX INCREMENT PARTICIPATION AGREEMENT WITH KC GARDNER COMPANY L.C. 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 KC Gardner Company, L.C. dated December 19, 2017 (as previously amended, the “Agreement”), encouraging and promoting the private development of certain improvements and associated parking structure within the Project Area; and

WHEREAS, the Agency has determined that the Agreement needs to be modified as set forth in the Addendum No. 4 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, 2019.

Chair

Attest:

Secretary

Exhibit A
Form of Addendum

ADDENDUM NO. 4 TO TAX INCREMENT PARTICIPATION AGREEMENT

THIS ADDENDUM NO. 4 TO TAX INCREMENT PARTICIPATION AGREEMENT (this “**Addendum**”) is dated effective as of November 16, 2021 (the “**Effective Date**”), by and between the Redevelopment Agency of Sandy City, a Utah political subdivision (“**Agency**”) and Riverdale Center Owner, L.C., a Utah limited liability company, as successor in interest to KC Gardner Company, L.C., a Utah limited liability company (“**Company**”). This Addendum is to be attached to, and is made an integral part of, the Tax Increment Participation Agreement dated December 19, 2017, entered into by and between the Agency and the Company, relating to a vacant parcel of land located along Monroe Street, south of 10000 South, in Sandy City (the “**Original Agreement**”) and as amended by this Addendum, and any other prior addenda, the “**Agreement**”). If there is a conflict between the terms of this Addendum and the terms of the Original Agreement or any prior addendum, the terms in this Addendum will control. The parties agree 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. **Substantial Completion Deadline.** The February 1, 2021 deadline for substantial completion of construction, as provided under Section 2.a of the Original Agreement, which was previously revised to a new deadline of February 1, 2024 under Addendum No. 3 dated June ___, 2020 [sic], is now further revised to December 31, 2024
3. **Revised Concept Plan.** Due to changed market conditions, driven in large part by the effects of the COVID-19 pandemic, the use of the office exclusively or even primarily for office space is no longer economically viable. The Participant has prepared a new concept plan for the Property, a copy of which is attached hereto as Exhibit 4-A (the “2021 Concept Plan”). The Property will now be developed substantially as set forth in the 2021 Concept Plan. The Agency agrees that the 2021 Concept Plan represents the highest and best use of the Property under current market conditions. Any reference in the Agreement to “Office Project” refers to the development project substantially as depicted in the 2021 Concept Plan and is referred to from now on as the “Development Project”. Any reference in the Agreement to “Office Building” refers to, collectively, any/all building(s) substantially as depicted in the 2021 Concept Plan, and is referred to from now on as the “Building”. Any reference in the Agreement to “Office Plans” refers to the “Project Plans” as defined by the PSA (specifically, under the addendum to the PSA taking effect on or about the same date hereof). For purposes of this Agreement only, the Company agrees that, as a condition to all obligations of the Agency under this Agreement, the Development Project will include the following minimum components and the Company must obtain a temporary or permanent certificate of occupancy for each of the following components, respectively:

- a. At least 300 parking stalls,
 - b. At least 200 housing units, and
 - c. At least 10,000 square feet of office or retail space (e.g., the square feet of housing units above 200 housing units) or any combination of those two.
4. **Parking Structure Financing.** Section 3.a. of the Original Agreement, as modified and replaced by Section A of Addendum No. 2 dated as of October 17, 2019, is again replaced entirely with the following (meaning, the following language supersedes and replaces all of Section A of Addendum No. 2):
- a. *Generally.* The Company is solely responsible for all the costs of development, construction, maintenance, ownership, repair, etc., of the Development Project (including the Building and the Parking Structure). However, subject to the performance of the Company Commitments by the Company first, the Agency will participate with the Company in financing the construction of the Parking Structure solely by reimbursing the Company for expenses actually incurred by the Company in the construction of the Parking Structure, in the cumulative maximum amount of \$3,250,000.00 (the “Maximum Reimbursement Amount”), as follows: The Agency will pay to the Company annually, beginning with a payment for the first year in which the Building is assessed and appears on the tax rolls for Salt Lake County, and ending with (at the latest) a final payment for the final year of the remaining tax increment collection period for the Project Area (each an “Annual Tax Increment Payment”), an amount equal to 68.85% of the tax increment actually received by the Agency from the Salt Lake County Treasurer pursuant to the Plan and Utah Code Ann. § 17C-1-403, and arising from the Development Project. The Agency will retain the remaining 31.35% of tax increment revenues from the Development Project for other Agency uses/obligations as permitted under the Plan and/or the Interlocal Agreements. The Agency will continue making Annual Tax Increment Payments until the first to occur of either (i) the Agency has paid to the Company the Maximum Reimbursement Amount, or (ii) 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 for the Project Area has passed (including any extensions of the Project Area Plan after the date hereof). Notwithstanding anything in this Agreement to the contrary, but without limiting the Maximum Housing Amount (defined below), the Agency has no obligation to pay any more than the Maximum Reimbursement Amount; accordingly, if and when the Maximum Reimbursement Amount has been paid, the Agency will have no further payment obligations of any kind to the Company under this Section 3.a.. However, the Agency does not guarantee payment of the full Maximum Reimbursement Amount; both parties acknowledge the total amount paid to the Company is contingent on, among other things, the amount of tax increment actually received by the Agency each year from the Property and the Development Project.

5. **Affordable Housing.** In addition to the Maximum Reimbursement Amount payable under Section 3 of this Addendum *above*, the Agency will also pay to the Agency certain additional tax increment funds in order to preserve certain units within the Development Project as Income Targeted Housing units. Specifically, the Agency will pay tax increment funds in the cumulative maximum amount of \$750,000.00 (the “Maximum Housing Amount”), as follows: The Agency will pay to the Company annually, beginning with a payment for the first year in which the Building is assessed and appears on the tax rolls for Salt Lake County, and ending with (at the latest) a final payment for the final year of the remaining tax increment collection period for the Project Area (each an “Annual Housing Payment”), an amount equal to 16.15% of the tax increment actually received by the Agency from the Salt Lake County Treasurer pursuant to the Plan and Utah Code Ann. § 17C-1-403, and arising from the Development Project. The Agency will retain the remaining 15% (after deducting the 68.85% payable under Section 4 *above* and the 16.15% payable in this Section 5) of tax increment revenues from the Development Project for other Agency uses/obligations as permitted under the Plan and/or the Interlocal Agreements. The Agency will continue making Annual Housing Payments until the first to occur of either (i) the Agency has paid to the Company the Maximum Housing Amount, (ii) 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 for the Project Area has passed (including any extensions of the Project Area Plan after the date hereof), or (iii) a “Housing Cutoff Event” (defined below) has occurred. Notwithstanding anything in this Agreement to the contrary, except for payments under Section 4 *above*, the Agency has no obligation to pay any more than the Maximum Housing Amount; accordingly, if and when the Maximum Housing Amount has been paid, the Agency will have no further payment obligations of any kind to the Company under this Section 5. However, the Agency does not guarantee payment of the full Maximum Housing Amount; both parties acknowledge the total amount paid to the Company is contingent on, among other things, the amount of tax increment actually received by the Agency each year from the Property and the Development Project.

6. **Housing Cutoff Event.**

- a. As a condition to the obligation of the Agency to make any Annual Housing Payment to the Company, the Company agrees as follows. The Company will cause at least ten housing units in the Development Project to be available for lease (or subject to a lease) at all times, as “Income Targeted Housing” through and including the calendar year 2034.
- b. The term “Income Targeted Housing” means both of the following are true with respect to the unit: (i) the tenant of the unit has an annual income that is less than 80% of the median annual income for Salt Lake County, based on household size, according to income statistics or guidelines published by the United States Department of Housing and Urban Development, as

measured at the time such tenant enters into a lease for an Income Targeted Housing Unit and (ii) the monthly rent for the tenant does not exceed 27% of the tenant's gross monthly income, as such income is as measured at the time such tenant enters into a lease for an Income Targeted Housing Unit. The Company agrees to obtain and preserve all records relating to Income Targeted Housing units in the Development Project, and the Agency may, no more than once every six months, request copies of those records to verify the Company's compliance with the requirements of this Agreement. Upon proper request by the Agency, the Company agrees to provide copies of all Company records reasonably requested by the Agency or reasonably necessary for the Agency to determine compliance with this paragraph.

- c. If at any time the Company fails to comply with the requirement to always maintain at least ten Income Targeted Housing units leased or available for lease through and including the calendar year 2034, then a "Housing Cutoff Event" will be deemed to have occurred, and the Company will forfeit the right to collect any future Annual Housing Payment, but may retain payments for such periods that the Company maintained such units.
- d. However, notwithstanding the foregoing, a "Housing Cutoff Event" will not be deemed to have occurred unless and until the Executive Director or the Redevelopment Director of the Agency has notified the Company in writing that the Agency believes a Housing Cutoff Event has occurred, and the Company has been given at least 21 calendar days to provide a written response to the Executive Director and Redevelopment Director explaining why the Company believes a Housing Cutoff Event has not occurred. The Executive Director or Redevelopment Director must review the evidence provided by the Company and then make a final determination on behalf of the Agency, which final determination must be conveyed by the Executive Director or Redevelopment Director to the Company in writing. If the Company continues to disagree then the Company may file a declaratory judgment lawsuit within 60 calendar days after receiving the final written decision of the Executive Director or Redevelopment Director, and if the Company fails to timely do so, then the matter will be final and not subject to any further judicial review or action.
- e. The Company will have no obligation to maintain an Income Targeted Housing units in the Development Project on or after January 1, 2035 or after a Housing Cutoff Event has occurred.

[End of Terms – Signature Page Follows]

**THIS ADDENDUM NO. 4 TO TAX INCREMENT PARTICIPATION AGREEMENT
ACCEPTED AND AGREED TO BY THE PARTIES AS OF THE EFFECTIVE DATE:**

AGENCY: Redevelopment Agency of Sandy City

Executive Director

Attest:

RDA Secretary

COMPANY: Riverdale Center Owner, L.C., a
Utah limited liability company, by its manager

KC Gardner Company, L.C., a
Utah limited liability company

Name:

Title:

Exhibit 4-A



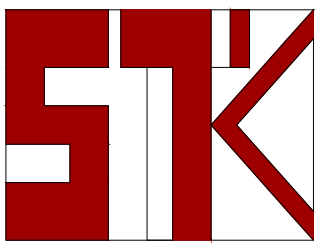
Sandy Shulsen
Wasatch

ARCHITECTURAL SITE PLAN

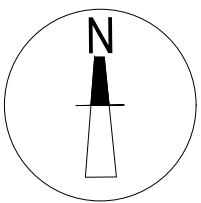
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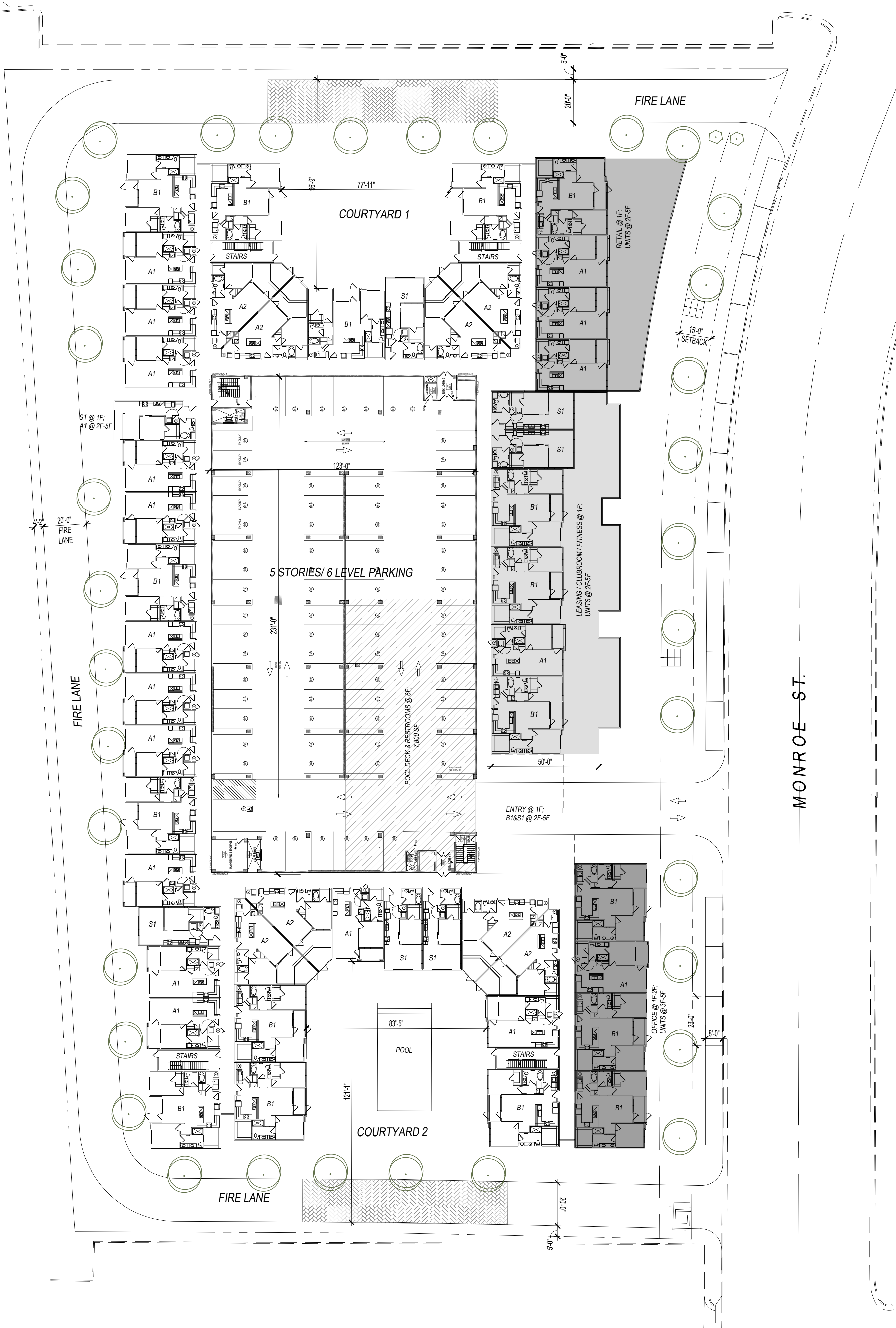
August 31, 2021



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INTERSTATE FREEWAY 15



5 STORY RESIDENTIAL									
UNIT NAME	UNIT TYPE	NET AREA(SF)	GROSS AREA(SF)	UNIT COUNT	TOTAL NET AREA	TOTAL GROSS AREA	UNIT PERCENTAGE	% BREAKDOWN	DESIRED PARKING
S1	studio	630	679	33	20,790	22,407	13.8%	13.8%	50
A1	1br/1ba	692	743	88	60,896	65,384	36.7%	53.3%	132
A2	1br/1ba	685	754	40	27,400	30,160	16.7%		60
B1	2br/2ba	1,039	1,116	79	82,081	88,164	32.9%	32.9%	119
TOTALS		3,046	3,292	240	191,167	206,115	100%	100%	360

TOTAL 360

UNIT AVERAGE NET SF : 797 S.F.

* NET AREA IS COMPUTED TO INCLUDE SQUARE FOOTAGE FROM EXTERIOR FACE OF ALL EXTERIOR FRAME WALLS THAT ENCLOSE A/C SPACE. IT DOES NOT INCLUDE PATIOS, BALCONIES, PATIO/BALCONY STORAGE.

PROJECT DATA

ACREAGE:	4.00	GROSS ACRES	
TOTAL UNITS:	240	UNITS	
DENSITY:	60.0	DU/AC	
LEASING / CLUBHOUSE / FITNESS	9,700	S.F.	1-STORY
POOL DECK & BATHROOMS	7,800	S.F.	
RETAIL:	6,300	S.F.	1-STORY
OFFICE:	8,800	S.F.	2-STORY
PARKING:			
DESIRED	360	STALLS	1.50 STALLS/UNIT
PROVIDED	402	STALLS	1.68 STALLS/UNIT
GARAGE	385	STALLS	1.60 STALLS/UNIT
PARALEL PARKING	17	STALLS	5 FUTURE TENANT STALLS