

BOUNTIFUL REDEVELOPMENT AGENCY

Meeting Minutes of: Tuesday, June 12, 2012

Location: City Council Chambers, Bountiful City Hall, 790 South 100 East, Bountiful, Utah

Present: Chairman – Joe Johnson; Board Members – Richard Higginson, Beth Holbrook, John Marc Knight, Fred Moss, Tom Tolman; City Manager/Attorney - Russell Mahan; Redevelopment Director – Aric Jensen; City Engineer - Paul Rowland

Welcome

1. Chairman Joe Johnson opened the meeting at 6:39 p.m. and welcomed those in attendance.

Agenda Items

2. **Consider approval of corrected minutes for November 15, 2011 and the approval of minutes for February 14, 2012, May 8, 2012, and May 22, 2012.**

Board Member Tom Tolman made a motion to approve the corrected meeting minutes for November 15, 2011, and the approval of minutes for February 14, 2012, May 8, 2012 and May 22, 2012 as written. Board Member Beth Holbrook seconded the motion. Chairman Johnson and Board Members Higginson, Holbrook, Knight, Moss and Tolman voted “aye”. Voting was 6-0 in favor.

3. **Consider agreement with Utah Transit Authority for South Davis Transit Study.**

Redevelopment Director Aric Jensen presented the staff report.

UTA did not complete the analysis and would like to use the \$365,000 to evaluate the 2000 comments given to them and to peruse the documents necessary to determine a Locally Preferred Alignment. The Locally Preferred Alignment was to be completed in the original study, however; UTA did not complete the original study and still does not have a conclusion. Board Member Richard Higginson made a motion to disapprove the payment of \$15,000 from Bountiful RDA to UTA and to disapprove the agreement. Board Member Fred Moss seconded the motion.

Mr. Jensen clarified that Salt Lake City and North Salt Lake can continue on with the project without our participation and Bountiful RDA will not have a seat at the table. Board Member Beth Holbrook expressed concern for the transit project being available in Bountiful City in the future.

Board Members Higginson, Knight, Moss and Tolman voted “aye” to not adopt the program and to not pay the \$15,000 to complete the project. Chairman Johnson and Board Member Holbrook voted “nay”. Voting was 4-2 in favor of stopping the project.

4. Consider extension of loan offer to Security Investment, 78 S. Main, 96 S. Main and 108 S. Main, John Hepworth, applicant.

Redevelopment Director Aric Jensen presented the staff report.

On June 14, 2011, the Board approved up to \$1,000,000 in loans for the Security Investment project on the northwest and southwest corners of 100 South and Main Street. To date those loans have been unfunded even though the project is more than 50% complete. Depending on leasing rates and market finance availability, these loan funds may never be needed. However, the applicant requests that the Board extend the offer for an additional 12 months as a backstop for his current financing.

Staff recommends extending the loan offer period for Security Investment LLC for the construction of a new mixed-use residential and commercial development on the southwest and northwest corners of 100 South and Main Street to June 30, 2013, with the same terms and conditions, which are as follows:

1. Total loan amount not to exceed \$1,000,000
2. 25 year amortization schedule
3. Monthly payments
4. 3% annual interest rate for Years 1 - 5
5. Loan call at the end of Year 5
6. Option for annual extensions for Years 6 – 10, at the discretion of the Redevelopment Director
7. 8% annual interest rate for Years 6 – 10
8. No extensions beyond Year 10
9. Loan secured with a first or second position trust deed note on the property
10. Cumulative LTV of project shall not exceed 80%

Board Member Fred Moss made a motion to extend the loan offer to Security Investment, 78 S. Main, 96 S. Main and 108 S. Main, John Hepworth, applicant. Board Member Beth Holbrook seconded the motion. Board Member Higginson recused himself from the voting because he is a bidder for the project. Chairman Johnson and Board Members Holbrook, Knight, Moss and Tolman voted “aye”. Voting was 5-0 in favor.

5. RDA Director’s report and misc. business.

Staff discussed the business loans that are currently due for final balloon payment.

Board Member Richard Higginson asked about the status of the invitation for the architects to submit conceptional drawings for the new City Hall Building. Mr. Paul Rowland reported

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that there will be an RFP in the newspaper on June 21, 2012. The selection process will be July 25-26, 2012.

Adjourn

Chairman Joe Johnson ascertained that there were no other items to discuss. Board Member Richard Higginson made a motion to adjourn the meeting. Board Member John Marc Knight seconded the motion and voting was unanimous. Chairman Johnson and Board Members Higginson, Holbrook, Knight, Moss, and Tolman voted “aye”. Voting was 6-0 in favor. The meeting was adjourned at 7:00 p.m.

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