

BOUNTIFUL REDEVELOPMENT AGENCY

Meeting Minutes of: Tuesday, May 10, 2016

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

Present: Chairman – Randy Lewis; Board Members – John Marc Knight, Richard Higginson, Kendalyn Harris, John Pitt, Beth Holbrook; Redevelopment Director – Chad Wilkinson; City Manager – Gary Hill; City Attorney – Russell Mahan; City Engineer – Paul Rowland

Welcome

1. Chairman Randy Lewis opened the meeting at 8:17 p.m. and welcomed those in attendance.

Agenda Items

2. **Consider approval of minutes for January 12, 2016.**

Ms. Holbrook made a motion to approve the minutes for January 12, 2016. Mr. Higginson seconded the motion.

A Mr. Lewis
A Ms. Harris
A Mr. Higginson
A Ms. Holbrook
A Ms. Knight
A Mr. Pitt

Motion passed 6-0.

3. **Consider Approval of a Subordination of the Historic Bountiful Theater Loan, Sean Monson, Applicant**

Redevelopment Director Chad Wilkinson presented a summary of the staff report (the full staff report follows).

Mr. Sean Monson, representing the Creative Arts Academy and Bountiful Historic Theater, requests a loan subordination to the existing loan for the Creative Arts Academy building at 165 South Main Street. The RDA approved a loan for \$600,000 dollars in 2011. The

applicant currently has an outstanding balance on the loan of \$376,479 dollars. The current loan is secured by a trust deed on two properties addressed 165 and 185 South Main Street. The county assessed value for the property at 185 South Main Street is \$1,107,709.00 and the county assessed value for the property located at 165 South Main Street is \$615,000.00. The total assessed value of the buildings is \$1,722,709.00.

The applicant wishes to refinance an existing commercial loan on the properties in order to payoff existing loans and pay for repairs to the roof and to complete seismic upgrades to the building at 165 South Main. The refinanced commercial loan would be total approximately \$681,000 dollars. After the refinance, the total amount of debt on the properties (including the new commercial loan and the subordinated RDA loan) will total \$1,057,479.00, which provides a 61% loan to value ratio (based on the county assessed value).

The RDA staff has reviewed this request and recommends that the loan to value ratio after the subordination is acceptable. The applicant is current on the existing loan and has an established history of paying off RDA loans in accordance with established terms. Furthermore, the additional funds would be used exclusively for an eligible project on Main Street, and will provide future tax increment revenue.

Recommended Action

Approve the requested loan subordination, as proposed.

Mr. Higginson inquired regarding the standard goal for loan to value ratio. Mr. Wilkinson answered that the maximum goal is to be within 75% of the loan to value ratio. Mr. Wilkinson further noted that the loan subordination in this case is very reasonable and is a good investment by the RDA.

Mr. Knight made a motion for approval of a Subordination of the Historic Bountiful Theater Loan, Sean Monson, applicant. Mr. Higginson seconded the motion. Mr. Pitt expressed thanks to Mr. Monson for operating businesses which add a lot to downtown Bountiful. Mr. Monson, likewise, expressed his thanks to the City.

 A Mr. Lewis
 A Ms. Harris
 A Mr. Higginson
 A Ms. Holbrook
 A Ms. Knight
 A Mr. Pitt

Motion passed 6-0.

4. Consider Adoption of Tentative RDA Budget for Fiscal Year 2016-17.

Mr. Wilkinson pointed out that this agenda item had previously been discussed and presented at the City Council meeting, but he desired to point out two things regarding the budget: (1)

The item designated “as negotiated with the Taxing Entity Committee” – committee members will notice there is a substantial reduction in the RDA budget when compared to prior years. This was to be expected, and there has been a reduction in RDA revenues of approximately \$460,000 for the next year. It is anticipated that the revenue amount will increase as the values in the area increase because of the investments the RDA will make with those monies. (2) Part of the negotiations with the Taxing Entity Committee involved a reduction in administrative costs, and that is reflected in the proposed budget. There is a 5% cap for administrative fees. Those changes are being phased in, and it will take a while to get to the 5% as the changes are a fairly drastic alteration to the budget. Staff is recommending adoption of the tentative RDA Budget for Fiscal Year 2016-17 and to set the public hearing date for June 14, 2016.

Ms. Holbrook made a motion to consider adoption of the tentative RDA Budget for Fiscal Year 2016-17. Mr. Higginson seconded the motion and highlighted the public hearing date to be set for June 14, 2016. Mr. Knight acknowledged reductions in the RDA budget but pointed out that the RDA extension was a major accomplishment and thanked Mr. Wilkinson for his efforts.

A Mr. Lewis
A Ms. Harris
A Mr. Higginson
A Ms. Holbrook
A Ms. Knight
A Mr. Pitt

Motion passed 6-0.

5. RDA Director’s report and miscellaneous business.

Mr. Wilkinson announced the 2nd Annual Bountiful City Business Symposium to be held on Wednesday, May 11, 2016 and spotlighted speakers for that event. He noted that every business owner in Bountiful received an invitation to the event.

Adjourn

Chairman Lewis ascertained there were no other items to discuss. The meeting was adjourned at 8:26 p.m.


Chad Wilkinson, Redevelopment Director