

BOUNTIFUL REDEVELOPMENT AGENCY

Meeting Minutes of May 23, 2006

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

Present: Chairman Joe Johnson, Board Members Barbara Holt, Richard Higginson, Fred Moss, John Pitt, Thomas Tolman, City Manager Tom Hardy, City Attorney Russell Mahan, City Engineer Paul Rowland, and Redevelopment Director Aric Jensen

Welcome

Chairman Johnson opened the meeting at 7:02 p.m. and welcomed those in attendance.

Agenda Items

1. Consider minutes of March 28, 2006 meeting.

Minutes were tabled until the next meeting.

2. Revolving Loan Petition from Costa Vida Restaurant (CV Real Estate Holding, LLC).

Aric Jensen, Redevelopment Director, briefly reviewed the staff report. This is a petition from our Business and Economic Development Enhancement fund for a Costa Vida restaurant (CV Bountiful Real Estate Holding LLC). They are proposing to build a Costa Vida restaurant and office space on the site where the former Thonpayaki Steak House burned down earlier this year and they have prepared a financial statement which is included in the packets. They are requesting a loan for \$90,000 with our standard terms.

Loan Criteria

Loan Amount - \$90,000
10 Year Amortization
3% Interest
5 Year Balloon Payment

The purchase price of the land is approximately \$300,000 after the insurance proceeds of an additional \$300,000. The final value of the project is \$1,050,000, which would make our LTV ration in excess of 10/1 which is an excellent use of our money.

Aric Jensen explained that the applicants are present if the Committee has any questions for them on this matter. Mr. Jensen reviewed the 3-D rendering of the proposed site. The staff recommends approval of the petition as outlined in the staff report.

Board Member Richard Higginson made a motion to approve the loan from our revolving fund in the amount of \$90,000 with the conditions stated. Mr. Fred Moss seconded the motion and voting was unanimous in the affirmative.

3. Consider approval FY 2007 (2006-2007) Redevelopment Agency Budget.

Tom Hardy, City Manager, reviewed the budget. He stated that the property tax increment is up significantly from two years ago and even up from last year. This is because we are now getting 100% tax increment from Davis County based on the agreement we have with the school district. Regarding interest on investments, as long as the Fed keep raising interest rates, we will get slightly more interest investment. The contribution from Gateway is as it has traditionally been. The undesignated fund balance is the amount needed to balance the budget based on a large amount that we have put in to Special Projects. Mr. Aric Jensen will be bringing projects to the Committee as they are proposed to the City. Please note that there is a typo at the bottom of the second page for the Administrative Budget, The number \$946,644 got transposed over to the 2006/2007 budget. If you add that up you will get \$1,060,000. An adjustment will be made on the revenues to balance that from the undesignated fund balance so the budget will balance. Mr. Hardy briefly reviewed the rest of the budget. It is recommended that the Redevelopment Agency Board of Directors approve the budget as the line items shown are correct.

There was a discussion about special projects listed on the budget and future projects for the city.

Board Member John Pitt made a motion to approve he Redevelopment Agency budget for FY 2007. Board Member Thomas Tolman seconded the motion and voting was unanimous in the affirmative.

Adjourn

Chairman Johnson ascertained that there were no other items to discuss. Board Member Fred Moss made a motion to adjourn. Board Member John Pitt seconded the motion. Voting was unanimous in the affirmative. The meeting was adjourned at 7:12 p.m.