



## City of South Salt Lake Redevelopment Agency Amended AGENDA

Public notice is hereby given that the City of South Salt Lake Redevelopment Agency will hold a meeting on **Wednesday, January 22, 2020**, in the City Council Chambers, 220 East Morris Avenue, Suite 200, commencing at **7:30 p.m.**, or as soon thereafter as possible.

Conducting: Portia Mila, RDA Chair

### CITY COUNCIL

#### MEMBERS:

LEANNE HUFF  
COREY THOMAS  
SHARLA BYNUM  
PORTIA MILA  
SHANE SIWIK  
NATALIE PINKNEY  
RAY DEWOLFE

### Opening Ceremonies

1. Roll Call

### No Action Comments

1. Bills, Claims, and Communications
2. Report of the Executive Director

### New Business

1. Review and Discussion regarding the sale/expenditures for the Bello Terra Property
2. Setting a public hearing date to recognize the revenue and expenditures associated with the Bello Terra property sale

### Motion for Closed Meeting

### Adjourn

Posted January 21, 2020

In accordance with State Statute and RDA Board policy, one or more Board Members may be participating via speakerphone.

Those needing auxiliary communicative aids or other services for this meeting should contact Craig Burton at 801-483-6027, giving at least 24 hours' notice

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CITY OF SOUTH SALT LAKE REDEVOLPMENT AGENCY  
MINUTES OF MEETING HELD  
January 22, 2020

Date/Time/Place                                Wednesday, January 22, 2020  
  6:43 p.m.  
  220 East Morris Avenue #200  
  South Salt Lake, Utah 84115

Conducting    Portia Mila

**DIRECTORS PRESENT:**  
    Sharla Bynum, Ray deWolfe, LeAnne Huff, Portia Mila, Natalie Pinkney,  
    Shane Siwik and Corey Thomas

**STAFF PRESENT:**  
    Mayor Cherie Wood  
    Charee Peck, Chief of Staff  
    Hannah Vickery, Deputy City Attorney  
    Kyle Kershaw, Finance Director  
    Randy Sant, Economic Development Consultant  
    Craig Burton, City Recorder  
    Ariel Andrus, Deputy City Recorder

Others Attending: See Attached

**Opening Ceremonies**

- 1. **Roll Call.**

**No Action Comments.**

- 1. **Bills, Claims, and Communications.** None.
- 2. **Report of the Executive Director.** None.

**New Business**

- 1. **Review and Discussion regarding the sale/expenditures for the Bello Terra property.** Economic Development Consultant, Randy Sant, explained that the RDA is a separate independent body of the City. They have been charged to help with the economic development of the City. Back when WinCo was done there was some property that was purchased by the RDA, including the property that is just south of the TRAXX line on State Street, that is vacant. The RDA is selling that five acre parcel of ground. In the purchasing agreement Boyer had the option to purchase that property. The property has

been appraised at \$4,570,000. Boyer's agreement with the RDA requires them to purchase the property at the appraised price. None of this money was put in the budget last year because staff wasn't sure when they would close or what the opportunity would be. So, they're at a point now they need to hold a public hearing to open up the budget so they can account for the revenues that will be coming in and the expenditures going out. They cannot enter into a contract with a company to clean the property until they have the funds in the budget. That is why staff wants to do this sooner than later. Mr. Sant reviewed a handout with the board outlining what will happen and what the accounting will be. A copy of the handout is attached to these minutes and incorporated by this reference.

Staff estimates that \$1.4 million of the property expenses will be for cleanup of the property. The other \$200,000 will be for closing costs.

When the RDA bought the property it was \$1 million dollars short and the City lent the RDA the million dollars which the RDA agreed to pay back at 1.5% interest. So, the loan repayment is \$1 million for the principle and \$90,000 interest.

After the RDA pays the debt and expenses, they will see a new profit of \$1,880,000.

Staff has negotiated an amendment to the purchase agreement with Boyer that will require Boyer to escrow the entire \$4,570,000. The RDA will be able to draw out of that escrow the expense for the cleanup. That allows the RDA to not have to go to the City and ask the City for another loan. They will be using Boyer's money to clean it up and that will be offset at the time of the closing. The closing happens when the cleanup is done and they receive a letter from the State Department of Environmental Quality indicating that it has been cleaned. Boyer would then close on the property. The RDA will transfer title to them and then Boyer will release the remaining escrow funds to the RDA. Staff's recommendation is that they put the funds in Fund Balance and then they will come back at a later date and determine how to budget for those.

Staff has a bid for the environmental cleanup of \$1,377,287. They will come back to the Board at a later time to talk about how they can recapture some of this money because it's not the RDA's problem. We didn't create it, just inherited it.

The cleanup will take eight weeks and staff would like to get the contract awarded immediately. They recommend the Board holds a public hearing on February 12, 2020 and a day or two later they will get the contract signed so they can get moving on the cleanup.

Board Member deWolfe asked what the timeline is from cleanup to closing.

Mr. Sant said they are looking to close on, or before, June 1, 2020, so they would have the money in this year's budget and pay the loan back in this year's budget as well.

- 2. Setting a public hearing date to recognize the revenue and expenditures associated with the Bello Terra property sale.** Mr. Sant recommended that the Board set the public

hearing date for February 12, 2020, at 6:00 p.m.

Director Siwik moved that the Board set a public hearing for February 12, 2020 at 6:00 p.m. to set a budget for the Bello Terra property.

MOTION: Shane Siwik  
SECOND: Ray deWolfe

Voice Vote:

Bynum: Yes  
deWolfe: Yes  
Huff: Yes  
Mila: Yes  
Pinkney: Yes  
Siwik: Yes  
Thomas: Yes

Board Chair, Portia Mila, advised the Board that she and Vice-chair Huff have visited with Mr. Sant and talked through RDA priorities. There are a lot of things that need to be discussed this year. They would like to have a regularly scheduled RDA meeting the first meeting of every month at 6:00 p.m. for one hour. There will not be an RDA meeting on the second meeting night of the month unless something is time sensitive.

Director Bynum made a motion to adjourn.

MOTION: Sharla Bynum  
SECOND: Corey Thomas

Voice Vote:

Bynum: Yes  
deWolfe: Yes  
Huff: Yes  
Mila: Yes  
Pinkney: Yes  
Siwik: Yes  
Thomas: Yes

The meeting adjourned at 7:56 p.m.

  
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Portia Mila, RDA Chair

  
\_\_\_\_\_  
Craig D. Burton, RDA Secretary



**PROPERTY PURCHASE AMENDMENTS**

**BELLO TERRA PROPERTY**

**PROPERTY PURCHASE PRICE: \$4,570,000**

**PROPERTY EXPENSE: \$1,600,000**

**NET REVENUE: \$2,970,000**

**LOAN RE-PAYMENT \$1,090,000**

**RDA AVAILABLE FUNDS \$1,880,000**

Budget amendment is needed to recognize the revenue and expense that will be incurred from the sale of the property to Boyer. Property is being sold at appraised value, and Boyer is allowing the RDA to draw from the purchase funds, the expense related to the clean-up costs of existing environmental issues. The estimated cost of the environmental clean-up is \$1,400,000. The remaining expense of \$200,000 is closing costs. The loan re-payment of \$1,090,000 is to the City who loaned to the RDA a portion of the funds required to purchase the Bello Terra property. Staff recommends the RDA available funds be placed in the RDA fund balance for future use.