

RESOLUTION NO. 2020-06RDA

**A RESOLUTION AUTHORIZING THE EXECUTION OF FIRST AMENDMENT TO
TAX INCREMENT REIMBURSEMENT AGREEMENT DATED MAY 4, 2020
BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND
ZIONS BANCORPORATION, N.A.**

WHEREAS, the Redevelopment Agency of Midvale City (the “Agency”) was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act; and

WHEREAS, the Board of Directors of the Agency adopted the Jordon Bluffs Project Area Plan on August 10th, 2004; and

WHEREAS, the Board of Directors of the Agency desires to encourage redevelopment within the Jordon Bluffs Project Area; and

WHEREAS, on May 4, 2020, the Agency and Zions Bancorporation N.A. (the “Owner”) entered into a Tax Increment Reimbursement Agreement (the “Original Agreement”) with respect to the reimbursement of certain “Approved Costs” incurred by the Owner in connection with the development of property within the Jordan Bluffs Project Area into an office building (the “Project”), subject to satisfaction of the certain specified conditions; and

WHEREAS, the Owner has requested that the Original Agreement be amended to modify the requirements for satisfying the sustainability condition (LEED certification), to eliminate the employment condition and substitute a requirement that a parking structure be constructed on the site, and to provide for the reimbursement of 50% of the cost of the parking structure for the Project, not to exceed \$5.5 million; and

WHEREAS, the Agency has determined that it is in the best interests of the Agency to amend the Original Agreement to modify the sustainability condition (LEED certification), to eliminate the employment condition and substitute a requirement that a parking structure be constructed on the site in accordance with a set of minimum design standards, and, to incentivize the construction of the parking structure, to provide for the reimbursement of 50% of the cost of the parking structure for the Project, not to exceed \$5.5 million; and


WHEREAS, the Board of Directors of the Agency and the Owner desire to enter into an amendment to the Original Agreement to make the foregoing described amendments.

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Board of Directors does hereby authorize the Chief Administrative Officer and Executive Director to execute a First Amendment to Tax Increment Reimbursement Agreement in accordance with the Term Sheet presented to the Board as part of the agenda, a copy of which is attached hereto, subject to such other terms and conditions as recommended by the Agency’s legal counsel.

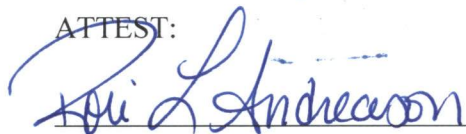
PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY
BOARD OF DIRECTORS, this 19th day of May, 2020.




Robert M. Hale
Chief Administrative Officer


Kane Loader
Executive Director

ATTEST:


Rori L. Andreason, MMC
Secretary

Voting by the Board of "Aye"		"Nay"
Directors:		
Bryant Brown	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Paul Glover	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quinn Sperry	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Heidi Robinson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dustin Gettel	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Term Sheet for First Amendment to Tax Increment Reimbursement Agreement with Zions Bancorporation, N.A.
(Jordan Bluffs Project Area)

Parties:	Redevelopment Agency of Midvale City, Utah (the “Agency”) and Zions Bancorporation, N.A. (the “Owner”).
Description of the Purpose of the Amendment:	<p>The Agency and the Owner entered into a Tax Increment Reimbursement Agreement on May 4, 2020 (the “Original Agreement”). Under the Original Agreement, the Agency agreed to reimburse the Owner for certain Approved Costs, provided that the Owner satisfied certain minimum conditions pertaining to employment, solar, and sustainability (as defined therein) with respect to the development of the property and conducting business operations within the Jordan Bluffs Project Area. The Owner has requested certain amendments to the Original Agreement:</p> <ol style="list-style-type: none"> 1. Modify the requirements for satisfying the sustainability condition (LEED certification) 2. Eliminate the employment condition and substitute a requirement that a parking structure be constructed on the site in accordance with a set of minimum design standards. 3. Include a reimbursement to pay for 50% of the cost of the parking structure, not to exceed \$5.5 million, to incentivize the construction of the parking structure for the benefit of the office building.
Amendments to Original Agreement:	<p>These proposed amendments to the Original Agreement are believed to be beneficial to both the Owner and the Agency. The amendments include:</p> <ol style="list-style-type: none"> 1. Changing the Silver LEED certification requirement. Instead of obtaining the certification from the U.S. Green Building Council (the process for which is complex and expensive), the Owner would be required to have a qualified architect certify that the building qualifies for, at a minimum, Silver LEED Certification. Staff believes the same benefits to the community of the project meeting the Silver LEED standards can be obtained at a lower cost to the project by making this change. 2. Replacing the minimum employment condition (1,500 full time, benefited employees) for eligibility for \$1,000,000 in Tax Increment. Owner shall be eligible to begin receiving the \$1,000,000 previously approved as part of the employment incentive as a part of the \$9,000,000 overall incentive once the parking structure

	<p>and office building are complete. As part of qualifying for the \$1,000,000, Owner will be obligated to construct a parking structure with standards in accordance with specified minimum design standards. Design guidelines will be prepared by the CD Director and agreed to by Owner and RDA prior to execution of the agreements.</p> <p>3. Adding a reimbursement amount from the Agency of up to \$5,500,000 to support the construction of the parking structure. The reimbursement would be funded by the proceeds from a loan from the City to the Agency (“UDOT Loan”). The City will be able to fund the loan to the Agency from the proceeds of a loan from the State Infrastructure Board to the City. The Agency will be able to repay the loan to the City from the tax increment generated by the project. The Agency will not be obligated to make the reimbursement payment until the parking structure is completed.</p> <p>(a) The Agency will disburse the full amount of \$5,500,000 to Zions for use in completing the parking structure upon satisfaction of the following requirements: (1) copies of paid invoices relating to the construction of the parking structure in excess of \$5,500,000; and (2) evidence or certification by Owner’s representative (Gardner) that Owner has spent \$100,000,000 on the acquisition of the Site and the construction of the office building and parking structure. City to pay the \$5,500,000 within 30 days of Owner’s satisfaction of the foregoing two requirements. The estimated cost of the parking structure is \$11,200,000. The \$5.5 million payment to Owner is for just under 50% of the cost of the parking structure.</p> <p>(b) The obligation to make annual payments to reimburse the Owner up to \$9,000,000 under the Original Agreement from tax increment will be subordinate to the Agency’s receipt of tax increment sufficient to pay the Agency’s debt service to the City each year.</p> <p>(c) The Reimbursement Term shall be lengthened to 2042.</p> <p>(d) The UDOT Loan under existing UDOT regulations will be limited initially to 10 years. Owner and Agency agree to work together to advocate for UDOT amending its regulations to allow for 15-year term loans so that the UDOT Loan may be modified to a 15-year term. If the UDOT Loan is not amended to be a 15-year term by the end of 2020, then the Developer’s Share of increment under the TIRA shall</p>
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	<p>increase from 48% to 52%. If, however, the UDOT Loan is amended to a 15-year term, the Developer's Share of increment shall remain 48%.</p>
<p>Project and Payment of Tax Increment:</p>	<ol style="list-style-type: none"> 1. The only change to the description of the Project will be the addition of a parking structure and its minimum standards. 2. No changes will be made to the funding source for the reimbursement of the Approved Costs from the Original Agreement. 3. No changes will be made to the terms and conditions of the payment of Tax Increment from the Original Agreement (other than the change of minimum employment to minimum parking structure standards, the adjustment to the LEED certification and other details set forth in this term sheet).
<p>Miscellaneous:</p>	<p>Such other terms and conditions as may be agreed to by the parties.</p>