



MIDVALERDA

2018 ANNUAL REPORT

INTRODUCTION

The Redevelopment Agency of Midvale City made significant progress in 2017 and 2018 in the redevelopment of its three project areas: Bingham Junction, Jordan Bluffs, and Main Street. Over the course of the past several years the Bingham Junction Project Area has been an unmitigated success, providing a tremendous return on investment from a financial perspective for the participating taxing entities, while at the same time reactivating an area of the Salt Lake Valley that had been written-off as undevelopable. Through careful planning, the Agency and its Bingham Junction development partners have been able to construct new residential, commercial, and retail options for the state's growing population. It is anticipated that a second wave of development will begin in 2019, furthering the benefits to the taxing entities and the community. The Jordan Bluffs project area is also set to experience rapid growth that is expected to eclipse the returns seen in the Bingham Junction Project Area. Over the course of the next year, the long fallow industrial site will once again see workers, but now building the offices that will be home to clean high-tech industries. Where the Bingham Junction and Jordan Bluffs Project Areas have provided large scale redevelopment, Main Street is intended to be a traditional infill project area that will rejuvenate a section of the city that was once the heart of the community. Over the past year, the Agency has worked closely with community members to craft an implementation plan for the area, and next year the Agency plans to work with our taxing entity partners to explore options for funding the community's plan.

We feel that the progress made in these three project areas have provided tremendous benefits for our community. It is our intent for this annual report to not only meet the statutory requirements in the Community Reinvestment Agencies Act, but to provide details on the tremendous work that the Agency, Midvale City, the development community, and our taxing entity partners have been able to achieve over the past 14 years.



REDEVELOPMENT AGENCY STAFF

Chief Administrative Officer

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Executive Director

Kane Loader, City Manager

Director

Matt Dahl

Project Managers

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Photos by

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BINGHAM JUNCTION

History

The Bingham Junction Project Area encompasses 390 acres in the northwest corner of the City. It is bound by the Midvale City boundary to the north, 700 West/Holden Street to the east, 7800 South to the south and the Jordan River to the west. Historically, the property consisted of several smelters that processed ore from Bingham Canyon, Kennecott Copper, and other mines. The smelter activities provided an economic benefit for the region that stimulated the growth of Midvale. However, the operations led to contamination and the property being designated as a Superfund site. The Environmental Protection Agency oversaw major remediation of the property and the placement of institutional controls to manage future development which has since removed it from the National Priorities List. The collaborative efforts of Midvale City, private developers and the Redevelopment Agency have turned this former brownfield site into a successful model for redevelopment. Over the course of the past 14 years, the Bingham Junction project area has gone from a vacant brownfield site with an assessed value of \$3,800,000 to a complete mixed-use neighborhood with an assessed value of approximately \$600,000,000. The site continues to attract new development, and it is anticipated that the value of the project area will continue to increase as the result of new commercial growth.



FINANCIAL REPORT

Change in Marginal Value

Base year: 2004

Base Taxable Value: \$3,899,414

2017 Assessed Value: \$562,176,294

2017 Increment Allocation: \$6,210,272

2018 Estimated Assessed Value: \$610,394,216

2018 Estimated Increment Allocation: \$7,000,000

Percent Change in Marginal Value:

Marginal Change (2004-2018): 15,553%

Annual Marginal Change (2017-2018): 8.6%

Annual Tax Increment Revenue

Historica receipts of project area funds:

2009 - \$1,097,874

2014 - \$3,185,596

2010 - \$1,560,202

2015 - \$3,816,394

2011 - \$1,804,470

2016 - \$4,658,617

2012 - \$2,073,445

2017 - \$6,168,040

2013 - \$2,463,319

Taxing Entity Benefit Analysis:

Negotiated Benefit: The Agency is obligated to provide the taxing entities 20% of the tax increment generated by the Bingham Junction Project Area. The Agency has not negotiated with any taxing entity for additional direct benefit.

Description of Development

Developed Acreage: 371

Undeveloped Acreage: 18.59

Percentage of Residential Development:

Single-Family: 22 acres

Multi-Family: 77 acres

Total Number of Housing Units: 2,352

Project Area Budget:

Collection Period: 2009-2034

Number of years remaining: 16

Taxing Entity Contribution: Each entity agreed to contribute 80% of the tax increment for 25 years to the Bingham Junction Project Area.

FY2019 Estimated Tax Increment Revenue: \$7,000,000

Taxing Entity Marginal Revenue

Taxing Entity	2017 Marginal Revenue (20%)	2004-2018 Marginal Revenue (20%)
Salt Lake County	\$249,066	\$1,032,426
Assessing and Collecting Levy	\$28,268	\$117,174
Canyons School District	\$716,595	\$2,970,416
Midvale City	\$145,678	\$603,863
South Salt Lake Valley Mosquito Abatement	\$1,892	\$7,842
Jordan Valley Water Conservancy District	\$44,516	\$184,527
Central Water Conservancy District	\$44,516	\$184,527
Unified Fire Service Area	\$201,657	\$835,905
Salt Lake County Library	\$68,109	\$282,326
Jordan/Canyons School District Debt Service Area	\$75,454	\$312,773

1 East Riverwalk Subdivision

126 Single Family Units

2 Canyon Crossing

180 Apartment Units

3 Parkview at Riverwalk

148 Townhome & Condo Units

4 Meadows at Riverwalk

256 Apartment Units

5 Cascade Assisted Short Term Living

71,000 SF

120 Rooms

6 Progressive Claim Center

25,000 SF

75 Employees

7 Topgolf

65,00 SF

8 WinCo Foods

95,000 SF

9 Riverwalk Retail

T-Mobile, Great Clips, GNC, Subway, Mid-City Pub, Jersey Mikes, Zagg, Arby's, Mo Betta', Costa Vida, Spirit, 1000 Degrees, Beans & Brews, Popeye's, Culver's, Jiffy Lube, AT&T, Glamorous Nails

10 View 8 Office Building

106,250 SF

11 Fairfield Inn & Suites

93 Rooms

12 FLSmidth

280,000 SF

13 Public Art Location

14 Savage Companies

80,000 SF

15 CHG Healthcare

283,000 SF

1,100 Employees

16 View 72 Retail

Cupbop, Tom and Chee, The Junction, Sodalicious, Trolley Wing Company, Pho Cali, Sports Clips, Dunkin' Donuts, Jimmy John's, Zaxby's, Freddy's, Hash House, Pok'e Luau

17 Staybridge Hotel

140 rooms

18 Overstock.com Headquarters

231,000 SF

1,500 Employees

19 IMAT Facility

335,000 SF

20 Tuscany Villas/Talavera

328 Apartment Units

21 Florentine Villas

214 Apartment Units

22 Lofts at 7800

192 Apartment Units

23 San Moritz

390 Apartment Units

24 Central 72 Townhomes

124 Townhome Units

25 Rooftops at 7800

131 Townhome Units

26 Destination Homes

99 Townhome Units

27 Founders Point*

67 Single Family Units

28 UTA TRAX Stop

Red Line

29 Bingham Junction Park

Open Space

30 Presidio Office Building

34,992 SF

31 Maverick Gas

32 Riverwalk Senior Housing

45 residential units in 13,725 SF

33 Burger King**

34 tru Hotel by Hilton*

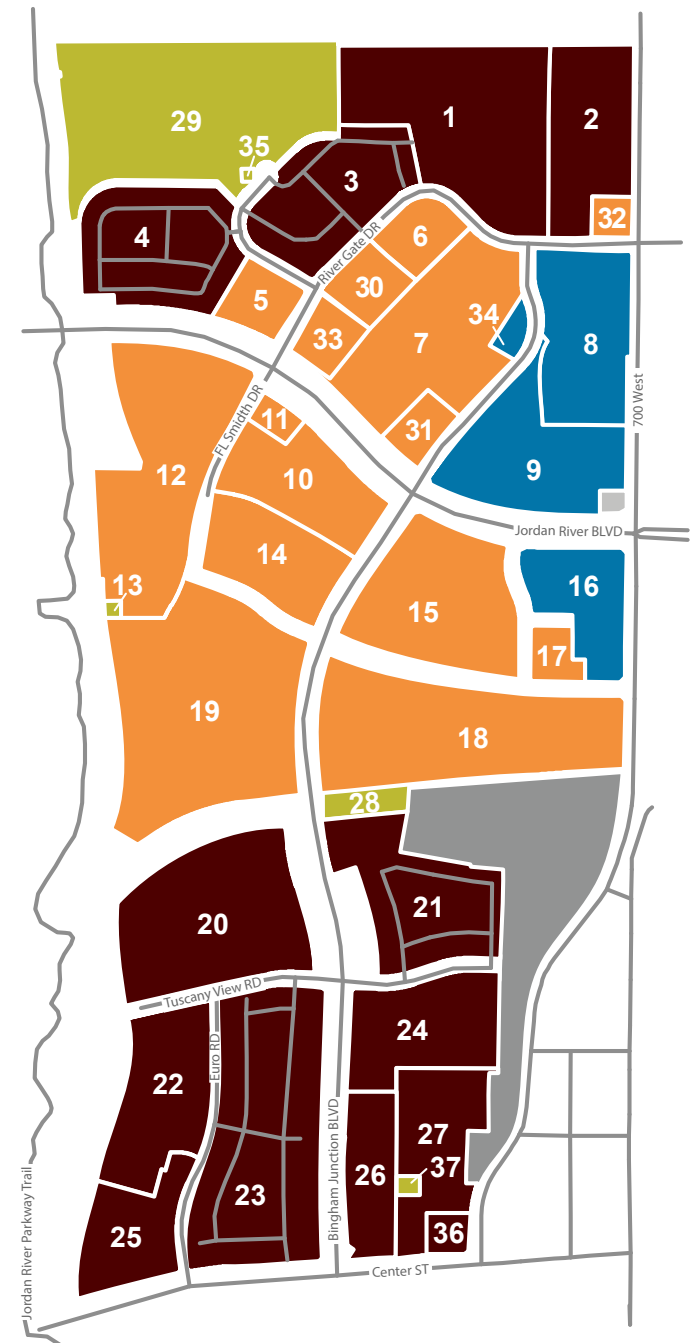
114 rooms, 16,000 SF

35 Public Art Location

36 Kimpton Square Apartments

97 apartment units

37 Pioneer Memorial Park



MAP KEY

RESIDENTIAL
RETAIL
COMMERCIAL

PUBLIC SPACE
REMAINING PROPERTY
EXISTING PROPERTY

*Nearly Completed **Planned

2018 PROJECTS

Founder's Point

2018 has seen the completion of many long-term projects. Founder's Point, which includes a senior living project and single-family homes, has been under construction for the last four years. The Kimpton Square Senior living project has been completed and the single-family homes will be completed in 2019. In total, the development will include 67 Single Family homes.

Public Art

The most recent Bingham Junction Public Art installation was completed in the Spring of 2018. The selected artist was Day Christensen. Christensen designed and installed what is now the welcome sign to the recently completed Bingham Junction Park. The piece, titled "Flora", is a fifteen-foot tall plant, fabricated out of stainless steel. Christensen is an accomplished Utah artist that has installations throughout the valley.

Infrastructure

In 2018, the RDA facilitated the planning and installation of a new traffic signal at the intersection of Tuscany View Rd and Bingham Junction Blvd. This traffic light not only provides safer access for children walking to school, but slows traffic on Bingham Junction Blvd. in an area with poor visibility. The Agency is also in the planning stages of another traffic signal at the intersection of Coliseum Way and Bingham Junction Blvd. The increase in traffic from the fast pace of development of Overstock and CHG create a high demand for traffic calming in this area.

TRU by Hilton

Tru by Hilton (Midvale) is located at the northeast corner of Bingham Junction Blvd. and River Gate Dr. and is nearing completion. The 61,000 square foot hotel will be 4 stories, and include 114 rooms and an outdoor pool and patio. Tru by Hilton is the second hotel of this type in Utah and will be the project area's third hotel.



JORDAN BLUFFS

History

For nearly 80 years, the Sharon Steel site was the heart of industry in Midvale. When ore processing and milling ended on the site in 1971 nearly 10% of Midvale was rendered unusable. Now, following 13 years of careful work on the part of the Redevelopment Agency of Midvale City, Environmental Protection Agency, and the Utah department of Environmental Quality, Jordan Bluffs is on the verge of a rebirth that will make it the center of growth and industry in Midvale. In 2015, the RDA entered into an Option to Purchase Agreement with the owners of Jordan Bluffs. During the option period, the Agency publicly marketed the site for private acquisition and development. At the conclusion of this process, the Agency entered into a Purchase Agreement with Gardner Jordan Bluffs, L.C., which purchased the property in 2017. Gardner Jordan Bluffs commenced construction of the backbone infrastructure in 2018, which included an extension of Bingham Junction Boulevard. Vertical construction will commence in late 2018.



FINANCIAL REPORT

Change in Marginal Value

Base year: 2004
Base Taxable Value: \$3,516,366
2017 Assessed Value: \$15,900,000
2017 Increment Allocation: \$0 (No Collection)
2018 Estimated Assessed Value: \$17,000,000
2018 Estimated Increment Allocation: \$0 (No Collection)
Percent Change in Marginal Value:
Marginal Change (2004-2018): 352%
Annual Marginal Change (2017-2018): 7%

Annual Tax Increment Revenue

Historical receipts of project area funds:
2004-2018: No Increment Collected
2020: Initial Tax Increment Request

Description of Development:

Developed Acreage: 263
Undeveloped Acreage: 263
Percentage of Residential Development: 15% (Planned)
Total Number of Housing Units: 900

Project Area Budget

Collection Period: 25 Years
Number of years remaining: 25 Years
Taxing Entity Contribution: Each entity agreed to contribute 80% of the tax increment for 25 years to the Bingham Junction Project Area.
FY2019 Estimated Tax Increment Revenue: \$0

2018 PROJECTS

Gardner Jordan Bluffs Tax Increment Reimbursement Agreement

The Agency entered into a tax increment reimbursement agreement (TIRA) with Gardner Jordan Bluffs (Gardner) for the redevelopment of approximately 260 acres located in the Jordan Bluffs Project Area. The TIRA was intended to reimburse Gardner for expenses that were directly related to the unique soil conditions on the site, as well as for an extension of Bingham Junction Boulevard. It is anticipated that TIRA will contribute the development of approximately 2,000,000 square feet of commercial space in the project area. It is anticipated that commercial construction will begin in 2019, following the installation of necessary infrastructure and site work.

Bingham Junction Boulevard Extension

In early 2018, Gardner Jordan Bluffs began construction on an extension of Bingham Junction Boulevard. The extension will connect the Bingham Junction neighborhood with the Sandy Parkway. This improvement allows for residents and workers in the Bingham Junction and Jordan Bluffs Project Areas to quickly access Interstate 15 at 7200 South and 9000 South and reduces traffic on connector streets. The project is anticipated to be completed in 2019.

Wasatch Residential Group Reimbursement Agreement

The Agency entered into a TIRA with Wasatch Residential Group in 2017. The TIRA is intended to assist with the development of 900 residential units, include 190 affordable units for residents making 60% or less of the area median income. As part of the TIRA the Agency agreed to reimburse the developer for costs directly related to the unique onsite conditions of Jordan Bluffs. The TIRA also allocated 20% of the tax increment generated from the development to reimburse the developer for a portion of the cost to build the affordable units. Construction on the residential units will begin in 2018.

MAIN STREET

History

The Agency is currently working with the taxing entities and its consultant to develop a strategy and budget that will lead to the success of the Main Street project area. The area will incorporate Midvale's historic Main Street, as well as the surrounding residential and commercial areas. The RDA's goal in creating this project area is to strengthen this part of the community by stabilizing the housing stock, upgrading infrastructure, improving parking, and adding new commercial uses through rehabilitation of existing buildings and new development. The Agency hopes to achieve these things by implementing property improvement programs for both commercial and residential properties, investing in street improvements, and property acquisition. The Agency is currently completing a Small Area Master Plan for Main Street which will include goals, objectives, and implementation strategies to help facilitate the redevelopment and revitalization of the area. It is the Agency's intent to work with the tax entities to secure funding for the project area in 2019. The Agency has not entered into any interlocal agreements for the funding of the project area.





MIDVALE HOUSING

The Redevelopment Agency of Midvale City is charged with leading the City's housing related efforts through the establishment of policies and the administration programs, including the preparation and implementation of the Midvale City Housing Plan and the Neighborhood Housing Improvement Program. The Agency has assumed the lead role in housing policy and development, because it is the primary funding source for moderate- to low-income housing in Midvale. These housing funds are primarily generated by a 20% housing set-aside in the Bingham Junction Project Area. The Jordan Bluffs Project Area also has a housing set-aside requirement, and is anticipated to begin generating housing funds when the project area begins collecting tax increment within the next three years.

Midvale Housing Plan

In 2018, the Agency began preparing a five-year Housing Plan for Midvale City (Plan). The Plan is based on the housing goals outlined in the 2016 General Plan. The Plan incorporates current data, best practices, and public input from over 500 community members and stakeholders to establish objectives and strategies for addressing Midvale's housing challenges. Midvale's population is projected to grow by 16,000 people by the year 2040 – an almost 50% increase in its current population. This growth will put an increased pressure on Midvale's housing market, a market that is currently experiencing difficulties, including housing tenure issues, the quality of housing stock, and a shortage of affordable housing. The Housing Plan aims to address these challenges and pave a way forward for Midvale's current and future populations as we grow into the future.

2018 PROJECTS

Applewood Homeowners Cooperative – Housing Preservation

In 2018, the RDA assisted the Applewood Homeowners Cooperative Inc. (Cooperative), an entity which is owned and operated by the Residents of the Applewood Manufactured Housing Community (Property), to partially finance their acquisition of the Property through the provision of a \$100,000 loan. The Agency's loan, in combination with funding from ROC Capital and the State of Utah, allowed the Cooperative to preserve 56 affordable housing units for the long-term.

Neighborhood Housing Improvement Program

The Redevelopment Agency has formulated a new housing program that seeks to develop new affordable housing units and address severe cases of neighborhood blight in Midvale's residential neighborhoods. The Neighborhood Housing Improvement Program seeks to acquire blighted properties and redevelop them as a strategic investment in neighborhood stabilization. The proposed program will help to enhance the overall quality of life in the community, and to eliminate neighborhood blight. It is anticipated that the first property will be redeveloped in Spring 2019.

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