

**MIDVALERDA**

**2019**

**ANNUAL REPORT**

**REDEVELOPMENT AGENCY STAFF**

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**Executive Director**

Kane Loader, City Manager

**Director**

Matt Dahl

**Project Managers**

Jessica Stephens  
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**Executive Assistant**

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**Board of Directors**

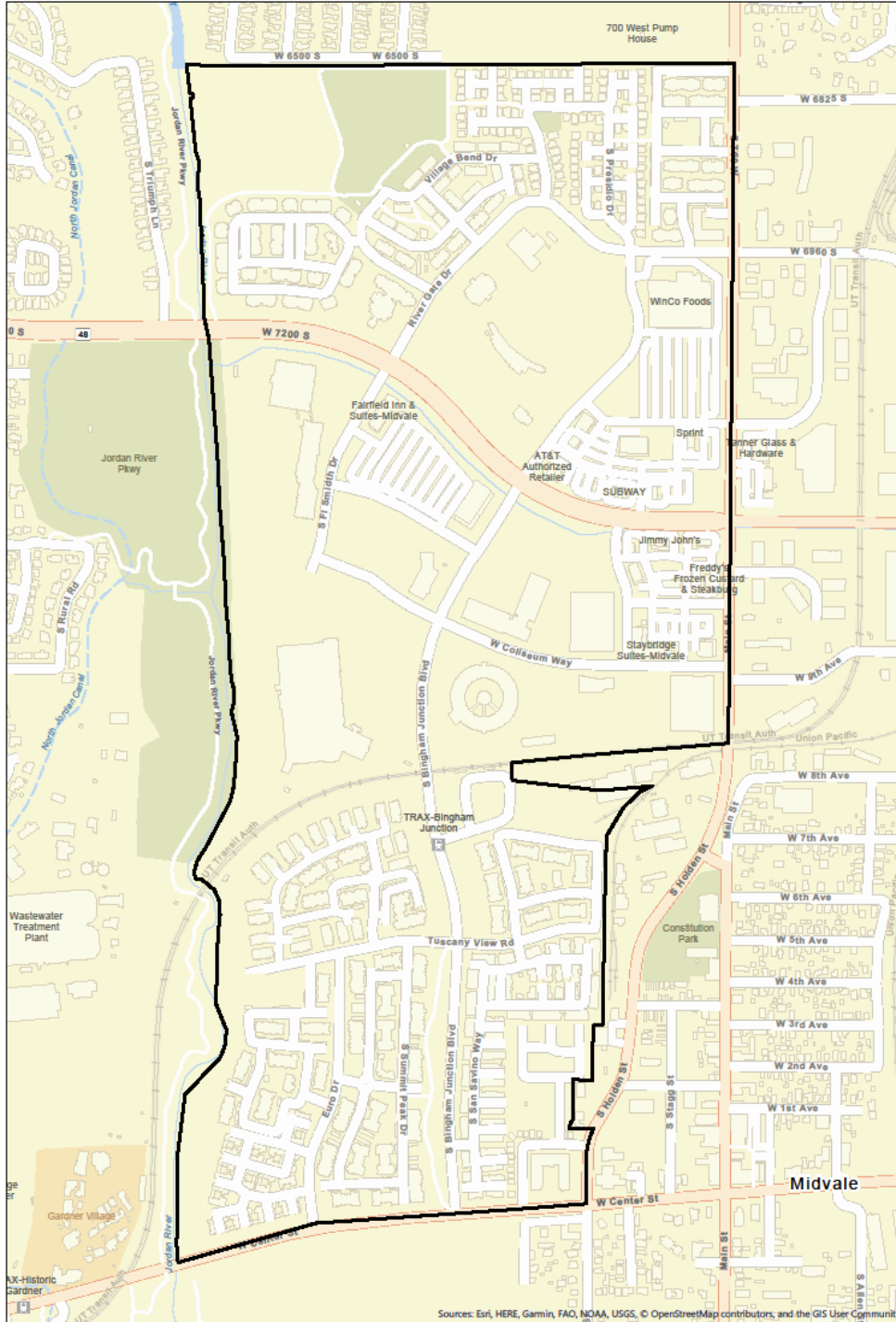
Dustin Gettel  
Paul Glover  
Quinn Sperry  
Paul Hunt  
Bryant Brown

# INTRODUCTION

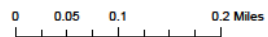
The Redevelopment Agency of Midvale City made significant progress in 2018 and 2019 in the redevelopment of its three project areas: Bingham Junction, Jordan Bluffs, and Main Street. Over the course of the past several years the Bingham Junction Project Area has been an unmitigated success, providing 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. A second wave of development began in 2019 that will further benefit the taxing entities and the community. The Jordan Bluffs project area has also experienced rapid growth in 2019. The long fallow industrial site once again saw workers, but now they are constructing new roads, housing, and office buildings. 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, as well as a new land-use code, 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 15 years.

# BINGHAM JUNCTION



*Bingham Junction*



# 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 15 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 \$610,000,000. 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

**2018 Assessed Value:** \$610,205,721

**2018 Increment Allocation:** \$6,501,444

**2019 Estimated Assessed Value:** \$619,455,886

**2019 Estimated Increment Allocation:** \$6,600,000

**Percent Change in Marginal Value:**

Marginal Change (2004-2019): 1,579%

Annual Marginal Change (2018-2019): 8.5%

## Annual Tax Increment Revenue

**Historical receipts of project area funds:**

2009 - \$1,097,874

2010 - \$1,560,202

2011 - \$1,804,470

2012 - \$2,073,445

2013 - \$2,463,319

2014 - \$3,185,596

2015 - \$3,816,394

2016 - \$4,658,617

2017 - \$6,168,040

2018 - \$6,501,444

## 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:** 15

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

**FY2020 Estimated Tax Increment Revenue:**

<b>Taxing Entity</b>	<b>2018 Marginal Revenue (20%)</b>	<b>2004-2019 Marginal Revenue (20%)</b>
Salt Lake County	\$231,030	\$1,162,834
Assessing and Collecting Levy	\$26,892	\$135,354
Canyons School District	\$838,904	\$4,222,421
Midvale City	\$132,308	\$665,940
South Salt Lake Valley Mosquito Abatement	\$1,673	\$8,420
Jordan Valley Water Conservancy District	\$45,776	\$230,402
Central Water Conservancy District	\$47,808	\$240,630
Unified Fire Service Area	\$208,680	\$1,050,340
Salt Lake County Library	\$64,062	\$322,440
Jordan/Canyons School District Debt Service Area	\$58,325	\$293,564

## 2018 - 2019 Projects

### CHG Phase II

In 2019, the RDA and Midvale City began negotiations with the Gardner Company to collaborate on the funding for an expansion to the CHG campus. CHG Healthcare is a national medical staffing agency headquartered here in Utah. The expansion will include a 122,000 square foot class A office tower along with a 4-level parking structure. This will bring the total CHG campus to 403,000 square feet of office space. Construction on the project is expected to begin in the fall of 2019 with completion being planned for winter 2021.

### 2018 Tax Increment Bond

In 2018, the RDA sold bonds totaling \$8,500,000. The bond proceeds were used to fully reimburse 12 developers in the Bingham Junction Project Area. Favorable interest rates allowed the Agency to achieve long-term financial savings and removed most of the annual tax increment reimbursement obligations in the project area. This financial restructuring will allow for greater flexibility to fund new projects through the life of the project area.

### Riverwalk Investment II, LLC Tax Increment Reimbursement Agreement

In 2018, the RDA entered in to a tax increment reimbursement agreement with Riverwalk Investment II, LLC for the development of commercial property near 7200 South. The agreement allows the Agency to reimburse the developer up to \$70,000 for unique costs associated with developing in the Bingham Junction Project Area. These costs include the installation of helical piers and other building methods meant to mitigate the soil conditions in the project area. Through this agreement the RDA anticipates encouraging new retail development in the project area.

### Riverwalk Land Investment, LLC Tax Increment Reimbursement Agreement

In 2018, the RDA entered in to a tax increment reimbursement agreement with Riverwalk Land Investment, LLC for the development of commercial property near 7200 South. The agreement allows the Agency to reimburse the developer up to \$340,000 for unique costs associated with developing in the Bingham Junction Project Area. These costs include the installation of helical piers and other building methods meant to mitigate the soil conditions in the project area. Through this agreement the RDA anticipates encouraging new retail development.

## **Infrastructure**

The installation of a traffic signal at the intersection of Tuscany View Road and Bingham Junction Boulevard was completed in October of 2018, meeting some of the demand for traffic calming measures in the area. The total cost for this project was \$203,500. An additional traffic signal has been approved for installation at the intersection of Coliseum Way and Bingham Junction Boulevard. The traffic signal here is necessary to support the growth occurring on the CHG campus and in the area as a whole. \$201,700 has been set aside for this project. Efforts have begun to widen 7200 South as part of Utah Department of Transportation's (UDOT) Interstate 15 – Southbound Project. UDOT intends to widen 7200 South to three lanes from Bingham Junction Boulevard to Interstate 15. This effort will greatly impact the flow of traffic through the project area.

## **Public Art**

The latest installment for the Bingham Junction Public Art Program was Ann Chen's collection of artfully designed utility box wraps. The installation transformed sixteen utility boxes along the west side of Bingham Junction Boulevard into works of art to the theme of "Magic in the Mundane." Chen described the installation as, "a mix of playful patterns and inspirational thoughts." The project began in the late Spring of 2019 and was completed the following summer. The budget for this installment was \$25,000.

**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' Bettahs, Costa Vida, Spirit, 1000 Degrees, Beans & Brews, Popeye's, Culver's, Jiffy Lube, AT&T, Glamorous Nails, R&R BBQ

**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, The Junction, Sodalicious, Trolley Wing Company, Pho Cali, Sports Clips, Dunkin' Donuts, Jimmy John's, Zaxby's, Freddy's, Umai Japanese Teriyaki & Sushi

**17 Staybridge Hotel**

140 rooms

**18 Overstock.com Headquarters**

265,000 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**

31 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**

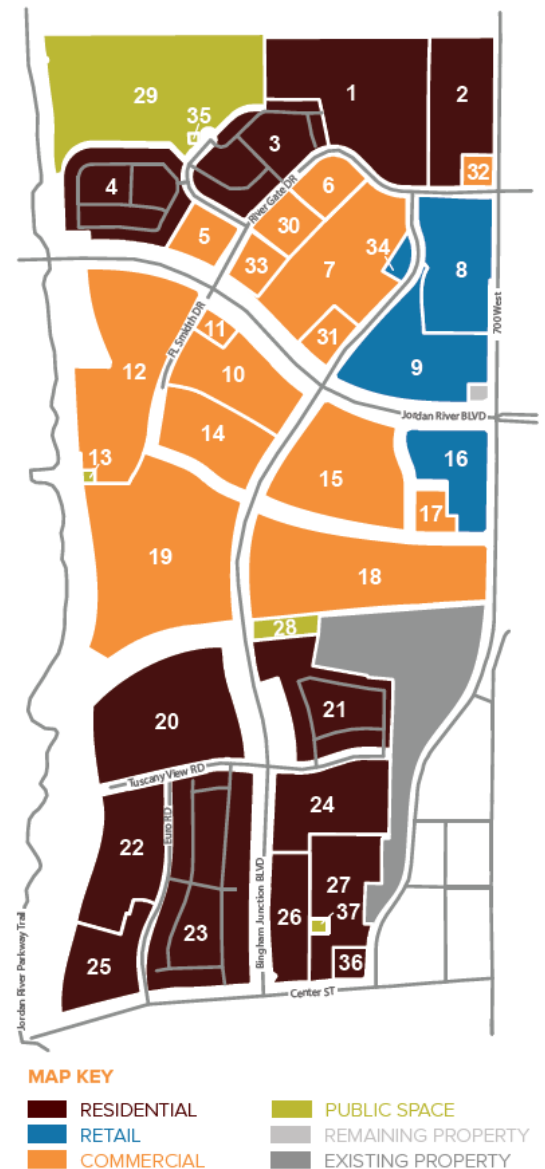
114 rooms, 16,000 SF

**35 Public Art Location**

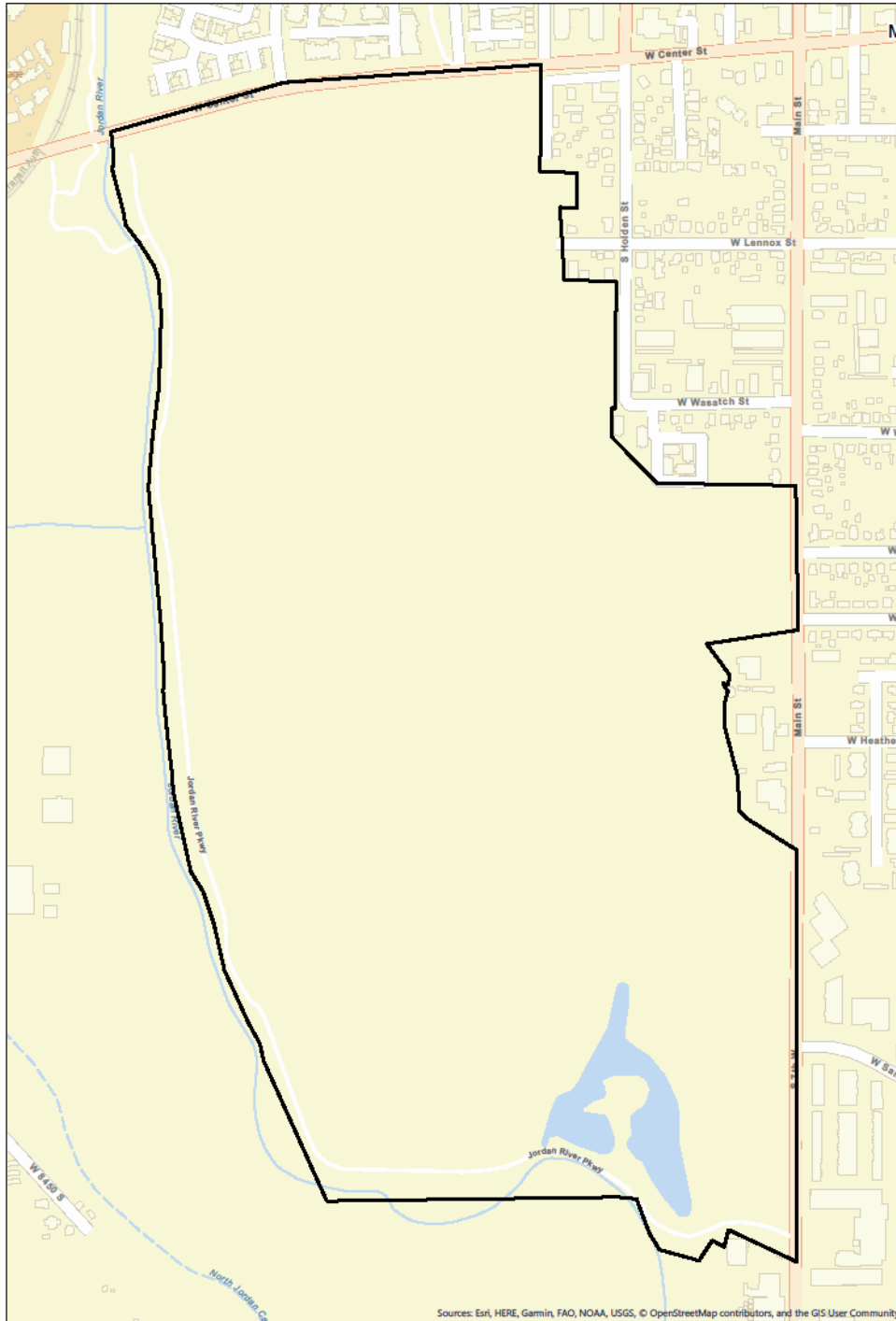
**36 Kimpton Square Apartments**

97 apartment units

**37 Pioneer Memorial Park**



# JORDAN BLUFFS



*Jordan Bluffs*

0 0.03 0.05 0.1 Miles



# 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 15 years of careful work on the part of the Redevelopment Agency of Midvale City, the Environmental Protection Agency, and the Utah department of Environmental Quality, Jordan Bluffs is experiencing 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 commenced in late 2018, with Wasatch Residential Group beginning construction of 900 residential units. The RDA anticipates the announcement of several new commercial projects by summer 2020.

# FINANCIAL REPORT

## Change in Marginal Value

**Base year:** 2004

**Base Taxable Value:** \$3,516,366

**2018 Assessed Value:** \$21,773,257

**2018 Increment Allocation:** \$0 (No Collection)

**2019 Estimated Assessed Value:** \$55,000,000

**2019 Estimated Increment Allocation:** \$0 (No Collection)

**Percent Change in Marginal Value:**

Marginal Change (2004-2018): 501.9%

Annual Marginal Change (2017-2018): 31%

## Annual Tax Increment Revenue

**Historical receipts of project area funds:**

2004-2019: 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.

**FY2020 Estimated Tax Increment Revenue:**

\$1,500,000

## **2018 - 2019 Projects**

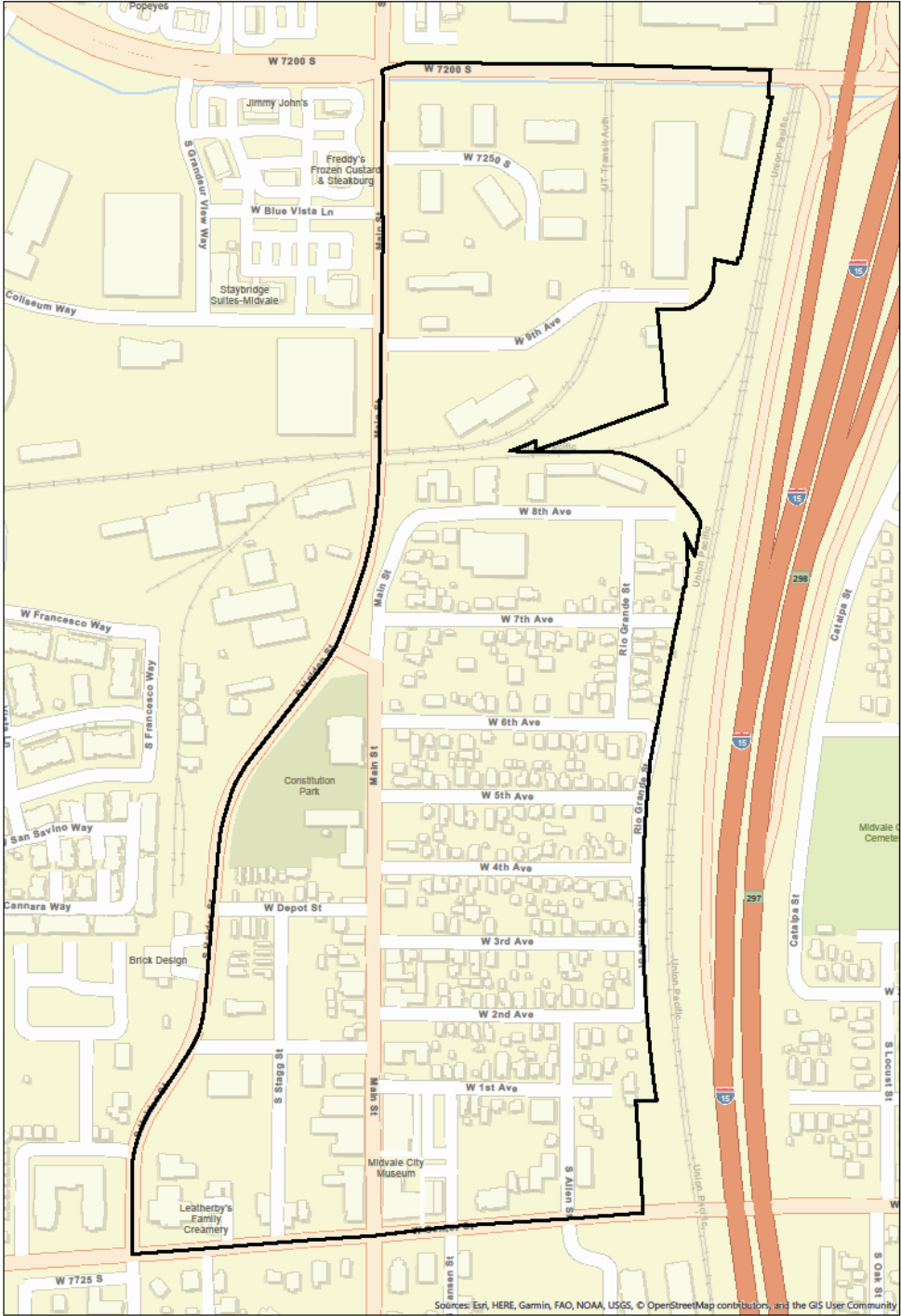
### **Wasatch Residential Group Reimbursement**

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, including 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 the 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 began in 2018. As of the end of October 2019, 24 townhomes and 33 apartments have been issued Certificates of Occupancy.

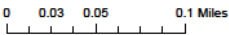
### **Bingham Junction Boulevard Expansion**

Construction for the Bingham Junction Boulevard expansion progressed steadily through 2019. It is expected that the road will be accepted by the City in early 2020. The expansion connects 7200 South to Sandy Parkway. The road expansion has been partly funded through two grants from Salt Lake County totaling \$6.75 million dollars. Part of the costs of the expansion will be covered by an RDA TIF reimbursement agreement. There are two connector roads that are also slated for acceptance in early 2020, Ivy Drive and Seghini Way. These connectors branch off the extension of Bingham Junction Boulevard to provide quick passage through the planned development.

# MAIN STREET



*Main Street*



# 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 completed a Small Area Master Plan for Main Street which includes 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 taxing entities to secure funding for the project area in 2020. The Agency has not entered into any interlocal agreements for the funding of the project Small Area Plan.

### Change in Marginal Value

**Base year:** N/A  
**Base Taxable Value:** N/A  
**2018 Assessed Value:** \$56,774,187  
**2018 Increment Allocation:** \$0 (No Collection)  
**2019 Estimated Assessed Value:** \$58,000,000  
**2019 Estimated Increment Allocation:** \$0 (No Collection)

### Annual Tax Increment Revenue

**Historical receipts of project area funds:**  
No Increment Collected

### Description of Development:

**Project Area Acreage:** 117

### Project Area Budget

No Interlocal Agreements

## 2018 - 2019 Projects

### Main Street Small Area Plan

In 2018, the RDA Board approved a small area plan for the Main Street Project Area. The plan was intended to facilitate the negotiation of interlocal agreements with the RDA's taxing entity partners by establishing a more defined vision for the project area's future. The plan was prepared by VODA Landscape and Planning and included significant public input. The plan established the following goals for the Main Street neighborhood:

- Encourage business growth and relocation to Main Street.
- Update and upgrade existing historic buildings
- Invest in long-term development through strategic funding
- Improve connections between Main Street and surrounding neighborhoods
- Expand housing and employment options.

# 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 of programs, including the preparation and implementation of both 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. 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 from 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. The Plan is anticipated to be completed and adopted by the end of 2019.

## **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.