

2012

Redevelopment Agency

of Midvale City

Dear Friends,

It is my pleasure to present the 2012 Annual Report for the Redevelopment Agency of Midvale City. This report fulfills the annual report requirement mandated by Utah Code Sections 17C-1-402(9)(b) and 17C-1-603. It includes the assessed values and estimated tax increment for each of the Agency's project areas. In addition to meeting this legal requirement, the report provides additional information on the investment of tax increment to promote economic development and provide housing within Midvale.

Redevelopment funds and assistance have been instrumental in the construction of commercial, industrial, and residential buildings and infrastructure in an area of the City that once sat vacant and blighted due to environmental contamination. The success of that redevelopment is made possible because of the support and participation of partners like Midvale City, the Environmental Protection Agency, Utah Department of Environmental Quality as well as the private investment of numerous property owners.

This report provides a review of the development occurring in the project areas. The area has continued to build on the momentum established in the past few years and there are many more exciting projects that will be realized in the near future. On behalf of the Redevelopment Agency we appreciate the support of the taxing entity committee and all of our partners as we continue to play a pivotal role in promoting economic development and redevelopment opportunities.

Sincerely,



Danny Walz
Director, Redevelopment Agency of Midvale City

2012

Annual Report



[Bingham Junction Project Area]

Summary

On August 10, 2004, the Redevelopment Agency of Midvale City Board of Directors adopted the Bingham Junction Project Area. The project area consists of 390 acres on the City's west side. It is bound by the Midvale boundary on the north, 700 West/Holden Street on the east, 7800 South on the south and the Jordan River on the west.

Term: 25 Years

Base Year: 2004

Trigger Year: 2009

Remaining Term:
22 Years

History

The Bingham Junction Project Area consists primarily of the Midvale Slag Superfund Site. Between 1871 and 1958 there were five separate smelters located on or near the property that processed ore from Bingham Canyon, Kennecott Copper and other mines. The smelter operations and waste materials resulted in contamination of the soil and groundwater. In 1991 the Environmental Protection Agency placed the property on the National Priorities List, the Agency's list of top priority Superfund sites.

By 2007 the completion of major cleanup activities on the site ultimately removed the property from the National Priorities List. The remediation plan imposed by the EPA cleaned up the property but left it subject to the requirements of Institutional Controls. These constraints impose extraordinary costs associated with developing the site. In addition, the industrial property had been abandoned for over 20 years and lacked the basic infrastructure of roads and sidewalks as well as water, sewer and storm drain service. The Bingham Junction Project Area was created to provide tax increment financing assistance.

Assessed Values and Tax Increment

With approval by the Taxing Entity Committee the Bingham Junction Project Area budget provides for collection of 80% of the property tax increment generated for a period of 25 years. The primary purpose of the project area is to address the extraordinary costs imposed on the property as a former Superfund site as well as the construction of infrastructure to prepare the area for development activities. The Total Assessed Value for the Project Area increased significantly once cleanup of the property was completed and the property was cleared for reuse. This growth in value has continued as the infrastructure has been installed and development has occurred.

Bingham Junction Project Area				
Tax year	2004 Base Year	2011	2012 (Estimated)	2013 (Estimated)
Total Assessed Value	\$3,899,414	\$153,494,039	\$173,682,636	\$250,624,910
Tax Increment Collected		\$1,804,470	\$2,047,993	\$2,976,102



Commercial/Office

The Bingham Junction Project Area includes over 140 acres of commercial zoned property. Future development anticipates 400,000 square feet of retail and restaurant space, 1.2 million square feet of office space as well as a hotel with conference space.

Intermountain Supply Chain Center

The Kem C. Gardner Supply Chain Center opened in September, 2012. The 327,000 square foot medical distribution center and warehouse is designed to streamline the process and delivery of supplies to the 23 IHC hospitals and 160 clinics throughout Utah and Idaho. The facility houses the ordering, purchasing, warehousing and distribution functions for more than 5,000 types of medical supplies. The facility was built to the same seismic standards as IHC's hospitals and incorporates many green building improvements.



FLSmidt

Headquartered in Denmark, FLSmidt is the world's leading supplier of equipment and services to the minerals and cement industry. In 2010, FLSmidt consolidated all of their Utah operations into a new global minerals technology center that included a 95,000 square foot, LEED Certified office building as well as adjacent lab. This past year saw the ground breaking of Phase 2 which will consist of a 68,000 square foot building expansion with a connected atrium and office space.

[Bingham Junction Project Area]

Residential Development

Despite the overall economic downturn in the housing market, Midvale has remained active in residential construction. Over 1,300 residential units have been constructed within the Bingham Junction Project Area. There are currently four major projects under construction that will add an additional 682 units.

Tuscany Villas

Built by Wasatch Property Management, this 76-unit affordable apartment community is specially designed for seniors. The four-story project is targeted at residents earning 80% or less of average median income and is directly across the street from the Bingham Junction TRAX station. The project includes a shared library, social room, outdoor spa and business center.



Talavera

Located along the east bank of the Jordan River this 300 apartment townhome development was built by Wasatch Property Management. This project includes one, two and three-bedroom units in a townhome design with attached garages. Amenities include a pool and spa, fitness center, tennis courts and a business center.

Under Construction

Central 72 - Holmes Homes - 124 townhome residential units

East Riverwalk – Candlelight Homes – 126 single family homes

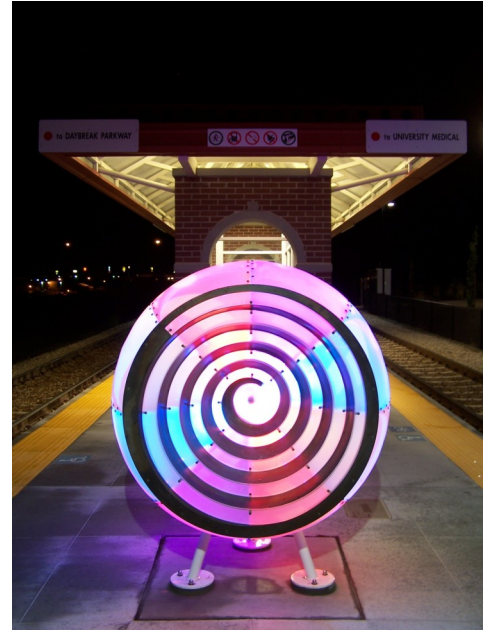
Rooftops – Solstice Homes - 330 condominium townhome units

Highland Gardens - Destination Homes – 102 condominium townhome units



Art In Transit

In 2011, the Utah Transit Authority officially opened the new Mid-Jordan TRAX line. The 10.6 mile line connects the communities of Midvale, West Jordan and South Jordan to the existing Sandy/Salt Lake TRAX line. The Bingham Junction station is located in the middle of the project area at 7387 South Bingham Junction Boulevard. As part of the station construction, the RDA participated in UTA's Art in Transit program. The art piece, "Utah Bit and Mine", is a unique, interactive sculpture that celebrates the mining and industrial history of Midvale City. The project includes two spherical figures facing each other and features touch-activated, colorful LED lighting that illuminates the entire installation. The first piece is modeled after the "X" shape of historical mining bits and the second piece reflects the spiral shape of a mine. The design also represents the relationship between the railroad and industrial growth of Midvale.



Infrastructure

As part of the overall redevelopment process, the developers and Midvale have built several roads including Bingham Junction Boulevard, a major arterial road that will eventually bisect both project areas and provide a new north-south route through Midvale. The large scale of the development also requires upgrades and new construction of trunk infrastructure for the City's water, sewer and storm drain systems. This year saw an extension of Junction View Drive as well as installation of a traffic signal at FLSmidth Drive and Jordan River Blvd.



Jordan Bluffs

Project Area

Summary

On August 10, 2004, the Redevelopment Agency of Midvale City Board of Directors adopted the Jordan Bluffs Project Area. The project area consists of 268 acres on the City's west side. It is bound by 7800 South on the north, Holden Street and Main Street on the east, the Midvale boundary on the south and the Jordan River on the west. The Agency has not pulled the trigger on the collection of tax increment.

Term: 25 Years

Base Year: 2004

Trigger Year: N/A

Remaining Term:
25 Years

History

The Jordan Bluffs Project Area consists primarily of the Sharon Steel Superfund Site. In 1902 the United States Mining Company started operation of their copper smelter on the property. Byproducts of ore processing that contained high levels of arsenic and lead from the milling operations were deposited to a waste tailings pile on the west end of the property. After investigations concluded that the soils contained unacceptable levels of arsenic and lead the site was officially listed on the EPA National Priorities List in 1991.

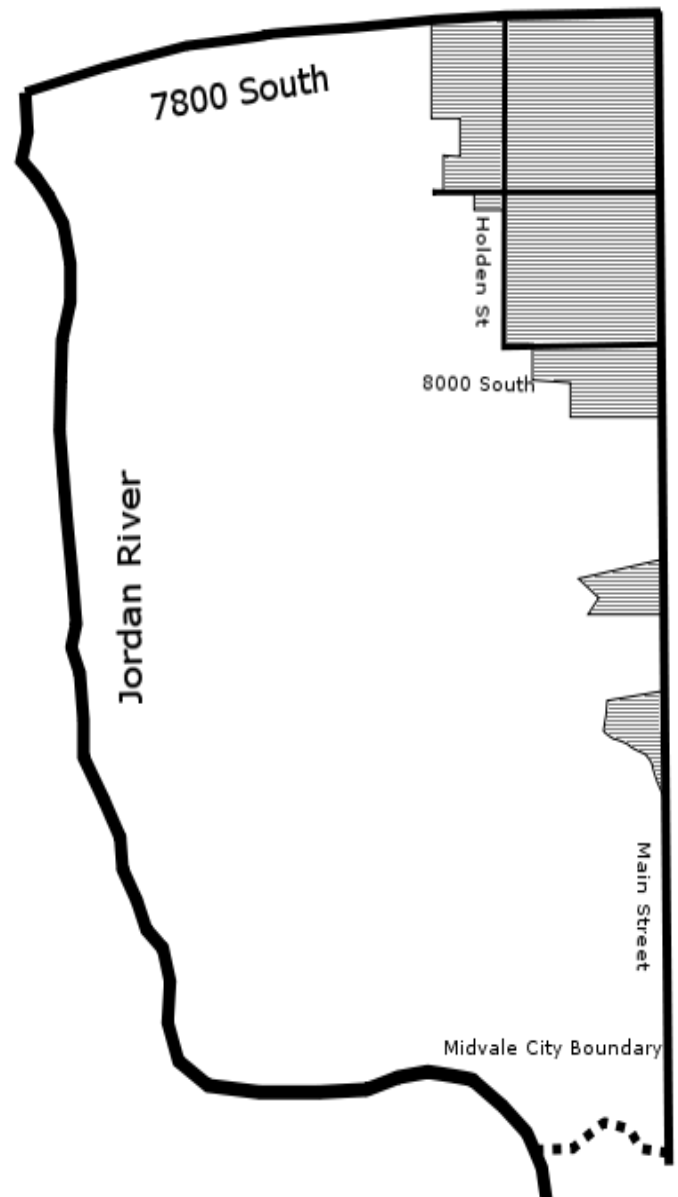
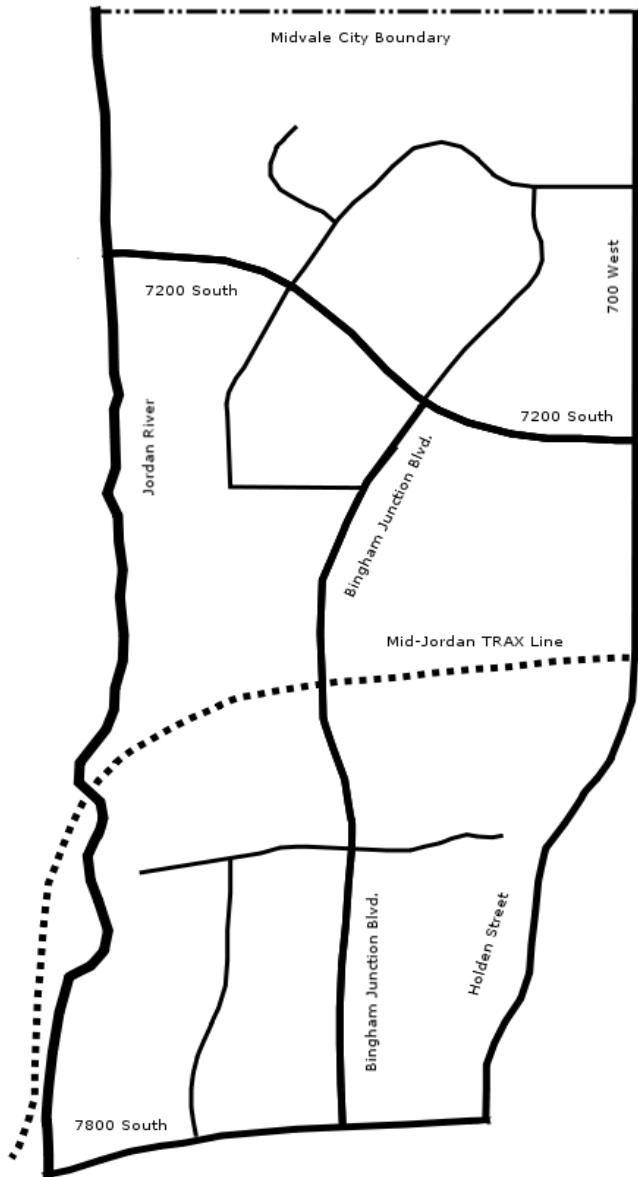
The EPA conducted cleanup operations on the site throughout the 1990's which resulted in capping the tailings piles with a flexible membrane liner. Because of a high level of contamination and the fact that the contaminated soil remains on the site beneath a cap system there are extraordinary costs associated with developing the property in the future. The property has been vacant for over 25 years and will require massive amounts of additional fill material and infrastructure costs for redevelopment. Over the past eight years the ownership group has conducted further investigations and preliminary placement of fill material has been done to test compaction on the site. Currently the ownership group is working to determine the potential for redevelopment of the property.

Assessed Values and Tax Increment

With approval by the Taxing Entity Committee the Jordan Bluffs Project Area budget provides for collection of 100% of the tax increment for 25 years with a 20% rebate back to the Taxing Entities. The primary purpose of the project area is to address the extraordinary costs imposed on the property as a former Superfund site as well as the construction of infrastructure to prepare the area for development activities.

Jordan Bluffs Project Area				
Tax year	2004 Base Year	2011	2012 (Estimated)	2013 (Estimated)
Total Assessed Value	\$3,516,366	\$12,772,660	\$13,193,647	\$13,853,329
Tax Increment Collected	N/A	\$0	\$0	\$0

Bingham Junction Project Area Map



Jordan Bluffs Project Area Map

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