

Minutes of the Regular Meeting of the Ogden City Redevelopment Agency held on Tuesday, January 12, 2016 at 7:03 p.m., in the Council Chambers on the third floor of the Municipal Building, 2549 Washington Boulevard, Ogden City, Weber County, Utah.

Present: Chair Marcia L. White
 Vice Chair Bart E. Blair
 Board members Neil K. Garner
 Richard A. Hyer
 Luis Lopez
 Ben Nadolski
 Doug Stephens

Board Administrator Bill Cook
Board Deputy Administrator Janene Eller-Smith
Board Policy Analyst Glenn Symes
Communications Manager Amy Sue Mabey

Also present: Chief Administrative Officer Mark Johnson
 Community and Economic Development Director Tom Christopoulos
 Community and Economic Development Deputy Manager Brandon Cooper
 Planning Manager Greg Montgomery
 Deputy City Recorder Julia LaSeure

Approval of Minutes

Board member Garner stated he had reviewed the minutes of the Closed Executive Sessions of October 13, 2015 and November 17, 2015 and found them to be accurate to the best of his recollection.

Vice Chair Blair stated he had reviewed the minutes of the Regular Meeting of November 10, 2015 and found them to be accurate to the best of his recollection.

Board member Stephens stated he had reviewed the minutes of the Closed Executive Session of November 10, 2015 and found them to be accurate to the best of his recollection.

Board member Hyer stated he had reviewed the minutes of the Special Meeting of November 17, 2015 and found them to be accurate to the best of his recollection.

BOARD MEMBER HYER THEN MOVED TO APPROVE THE MINUTES AS PRESENTED. MOTION WAS SECONDED BY VICE CHAIR BLAIR, ALL VOTING AYE.

Proposed Resolution 2016-4 amending the budget for Fiscal Year (FY) 2016 in the amount of \$400,000

A memo from the Management Services Department regarding a proposed budget amendment to recognize the receipt of a Brownfields Loan came before the Board for consideration. The memo stated the City was awarded a Brownfields revolving loan grant in the amount of \$400,000, at an interest rate of two percent (2%). These funds will be used for revitalization by funding environmental assessment and cleanup. The loan proceeds will be used in the Trackline Economic Development Project Area, also known as, Ogden Business Exchange. The loan does require the City to contribute a matching share in the remediation work of \$90,500, which is budgeted for in the Community Development Block Grant (CDBG) funds and accounted for in the major grants fund. This is an interest only loan with 16 quarterly payments through November of 2020 at which time a balloon payment is due. The interest payments will be approximately \$8,000 a year, \$2,000 quarterly. When the balloon payment comes due, it is intended that repayment will be made from project revenue received in the Trackline Economic Development Project Area.

Chair White then introduced in writing proposed Resolution 2016-4, entitled:

“A resolution of the Ogden City Redevelopment Agency amending the budget for the Fiscal Year July 1, 2015 to June 30, 2016 by increasing the anticipated revenues and transfers for a gross increase of \$400,000 from sources as detailed in the body of this resolution; and increasing the appropriations for a gross increase of \$400,000 as detailed in the body of this resolution.”

A copy of the proposed resolution was deposited with the Deputy City Recorder and ordered that the City Recorder have at least one copy available for public inspection in her office during all business hours.

The proposed resolution was then read by long title.

BOARD MEMBER NADOLSKI MOVED A PUBLIC HEARING ON THE PROPOSED RESOLUTION BE HELD IN THE CITY COUNCIL CHAMBERS ON JANUARY 26, 2016, DURING THE REDEVELOPMENT AGENCY MEETING TO BE HELD AT 6:00 P.M. AND THAT THE CITY RECORDER BE DIRECTED TO PROVIDE NOTICE AS REQUIRED BY LAW. MOTION WAS SECONDED BY BOARD MEMBER GARNER, ALL VOTING AYE.

Presentation of the Redevelopment Agency FY2015 Annual Report

The FY2015 Redevelopment Agency Annual Report came before the Board for consideration.

Community and Economic Development Deputy Manager Cooper noted the Board has been provided with the Redevelopment Agency Annual Report for the period of July 1, 2014 to June 30, 2015. The report contains background information on each of the 22 project areas, financial information, and project area highlights. He briefly reviewed the difference between the three types of redevelopment areas that can be created in the City in accordance with Utah Law: Urban Renewal Areas (URAs), Economic Development Areas (EDAs), and Community Development Areas (CDAs). The power of eminent domain is only available in URAs and is for use in limited circumstances to eliminate blight. The power of eminent domain must be included in the project area plan for a URA to have ultimate impact and the power expires five years from the date the URA project area plan is adopted. The City has five EDAs, one URA, and sixteen Redevelopment Project Areas (RDAs), (the older version of a URA). He reviewed a chart illustrating the timeline of the creation of the 22 project areas or districts and noted the first was established in 1977 and the most recent was established in 2013. Four of the districts will expire or sunset in FY2016, with the longest projected sunset date for a district being 2033. The combined assessed value of the properties within all 22 districts is just over \$1.1 billion. The benefits to the taxing entities as a result of the creation of the districts is significant compared to what they were receiving before the creation of the districts. The growth within the collective project areas far exceeds the natural organic growth of the rest of the County combined. The annual average growth rate in the County is five percent, but the average annual growth rate for the properties within the 22 districts is 18 percent. This is a manifestation of the purpose of an RDA, which is to identify a need and invest in the area according to the stated objective of the project area plan. The City's redevelopment areas have been very successful to date. Mr. Cooper mentioned that the City commissioned a study with Lewis, Young, Robertson and Burningham to understand the status of the City's RDAs and the implications of the expiration of the RDAs. They have found that, in general, tax generation is over four times the base value of the project area. Taxing entities that participate in project areas receive nearly double the tax revenue from the project areas in comparison with the base value. He summarized some of the economic development projects that have been completed within the 22 districts of the City, with a focus on the businesses that moved to Ogden with RDA districts during the reporting period. Finally, Mr. Cooper reviewed the goals for FY2016, noting there is a high focus on housing. The RDA is a strategic part of the Quality Neighborhoods Initiative, which is essential to accomplishing the housing goals in the City. The Agency is always looking for private funding sources and this year staff doubled their efforts to find investors and those motivated and interested in redeveloping the neediest locations in the East Central Neighborhood. An additional goal for FY2016 is integration with the General Plan, infrastructure plans, and integration with an emphasis on design.

Board member Stephens asked if the focus on housing is geared toward low-income housing. Mr. Cooper replied that the focus is to bring at-market housing to the East Central Neighborhoods. There are 4,000 low-income homes in excess of what the City is required to have according to U. S. Department of Housing and Urban Development (HUD) standards and he feels it is appropriate to replace some of those homes with at-market, quality housing types which could be accomplished in a number of ways.

Board member Garner stated he recognizes the hard work and effort Community and Economic Development staff dedicates to the redevelopment of various areas of the City and thanked him for his service. Mr. Cooper thanked the Board for their support.

BOARD MEMBER GARNER MOVED TO ACCEPT THE FY2015 REDEVELOPMENT AGENCY ANNUAL REPORT FOR REVIEW. MOTION WAS SECONDED BY BOARD MEMBER HYER, ALL VOTING AYE.

Proposed Resolution 2016-2 approving terms and conditions of a \$400,000 loan for environmental cleanup in the Trackline Economic Development Project Area

A memo from the Community and Economic Development Department came before the Board to consider a resolution approving the terms and conditions of a \$400,000 loan for environmental cleanup in the Trackline Economic Development Project Area. The memo stated City Administration is requesting execution of a loan agreement with Salt Lake County from the Wasatch Coalition Brownfields Revolving Loan Fund (WBCRLF). Loan proceeds will be used to fund environmental remediation costs at the Ogden Business Exchange. The WBCRLF, administered by Salt Lake County, will provide \$400,000 in loan funds and requires a match of \$90,500. Sources for the Agency's matching funds will be the City's Community Development Block Grant and Section 108 Loan Guarantee Program funds.

Mr. Cooper summarized the memo and stated the Ogden Business Exchange site was formerly utilized as a stockyard and livestock exchange and has also been used for the storage of equipment and containers of unknown origins and type. There is a railroad spur that ran through the property for stock transportation, which has been known to be a potential source of contamination from creosote, a blend of hundreds of chemicals. Chemical products that may have been transported and offloaded from rail cars could impact the site from unregulated and unreported spills. Ultimately, the resulting historic contaminants may include a mixture of hazardous substances and petroleum such as semi-volatiles, oils, and grease associated with the railroad

ties/line and unidentified substances in the unmarked containers. The RDA has enrolled in the Utah Department of Environmental Quality (DEQ) Voluntary Cleanup Program and has been performing predevelopment tasks needed to make the master-planned “lifestyle” business park economically feasible, including:

- property acquisition,
- environmental remediation,
- demolition,
- infrastructure improvements, and
- other site preparation.

The RDA has also partnered with a private developer who will be responsible for building, selling, and leasing buildings in the business park. The business park will feature office, manufacturing, light industrial, and distribution facilities that incorporate historical design and have connections to the Weber River, open space, pedestrian/bike trails, and access to the county-wide trail network. Ogden City is currently working with several companies planning to locate at the Ogden Business Exchange. Mr. Cooper concluded the loan is a four year interest-only loan with an interest rate of two percent per annum and a balloon payment at the end of the loan term. Disbursements of loan funds and interest payments will both be made on a quarterly basis. The loan is to be repaid through project revenues (land sales proceeds and tax increment) and is guaranteed by Ogden City Corporation. The WBCRLF has also agreed to allow loan proceeds to be disbursed for up to \$330,000 of already-incurred eligible cleanup expense.

Board member Nadolski referred to the allowance to disburse loan proceeds for up to \$330,000 of already-incurred costs and asked if that allowance will be exercised. Mr. Cooper answered yes, the City will be reimbursed for monies already spent. Board member Nadolski asked if the costs already incurred were associated with exploration of the site rather than remediation. Mr. Cooper stated most of the expenditures the City has incurred on the property are associated with investigation and exploration, though there has been some remediation. Board member Nadolski stated he asks these questions because he is wondering if the \$400,000 loan will be enough to cover the needs at the site. Mr. Cooper noted that it will not be enough and the City will incur more than \$400,000 in remediation costs, but there is an opportunity for the City to secure an additional loan as the loan source is revolving.

Chair White introduced in writing proposed Resolution 2016-2, entitled:

“A resolution of the Ogden City Redevelopment Agency approving and ratifying a \$400,000 loan for the environmental cleanup in the Trackline Economic Development Project Area.”

BOARD MEMBER LOPEZ MOVED THE RESOLUTION BE ADOPTED, AND THE CHAIR BE AUTHORIZED TO SIGN THE SAME. MOTION WAS SECONDED BY VICE CHAIR BLAIR, WITH THE FOLLOWING ROLL CALL VOTE: VOTING AYE – BOARD MEMBERS GARNER, HYER, LOPEZ, NADOLSKI, STEPHENS, VICE CHAIR BLAIR AND CHAIR WHITE. VOTING NO – NONE.

Proposed Resolution 2016-3 approving the terms and conditions of a Real Estate Purchase Contract for property located at approximately 21st Street and Ogden Avenue

A memo from the Community and Economic Development Department came before the Board to consider a resolution approving the terms and conditions of a Real Estate Purchase Contract (REPC) for property located at approximately 21st Street and Ogden Avenue. The memo stated City Administration has targeted the block between 21st and 22nd Streets and Washington Boulevard and Adams Avenue as a key redevelopment project in the downtown area. This location is in the East Washington Urban Renewal Area, which was established in 2010, and is adjacent to the newly renovated LDS Temple block. It provides an opportunity for the Agency to bring about development that will reduce existing blight and have a significant impact to the surrounding blocks. The nature of the topography of the site and its proximity to other downtown amenities gives the RDA maximum development flexibility and the opportunity to create a unique mixed-use gathering location with varied housing options. The initial step in this multi-step project is the commencement of the acquisition of key available properties. The Gibbs Property is central to the other parcels that would need to be acquired and sets the precedent for future negotiations with other property owners. A summary of the Gibbs REPC is as follows:

- **Seller** - Gail B. Gibbs Revocable Family Trust
- **Properties** - 01-039-0046, 01-039-0044, 01-039-0045, 01-039-0049, 01-039-0050, 01-039-0055, 01-039-0054
- **Size** - .59 acres
- **Purchase Price** – \$415,000
- **Cash at Closing** - \$50,000 (to be paid from RDA Housing Fund)
- **Promissory Note** - \$350,000 to be paid no later than July 8, 2016
- **Interest** – none
- **Earnest Money** – \$15,000 (applicable, non-refundable, already paid)
- **Closing Date** – on or before January 22, 2016
- **Buyer’s Right to Cancel** – Buyer may cancel with loss of earnest money if Agency Board does not approve the contract

The memo summarized the fiscal impact of the transaction as well as the funding sources. The total to be spent on the property acquisition is \$465,000. Though staff anticipates contracting with a developer for the subsequent acquisition and

development of the project, adequate sources as described above have been identified to fulfill the terms of the Promissory Note associated with the Gibbs properties. The memo also summarized the risks and benefits associated with the transaction. Acquisition of the property is the first step in the development of the project. With ownership, the Agency will have maximum flexibility to design an appropriate project and attract the right type of partners, investors, and uses. A successful project would yield multiple benefits such as:

- The revitalization of a unique but depressed area of the downtown, creating key connection points into the East Central neighborhood
- Removal of blight
- Increased property tax base
- The creation of varied housing options, adding to the downtown residential population

In the event the project implementation is delayed, the Agency will remain the owner of the property and will be required to continue to provide landlord services to five existing residents. This circumstance would not be ideal as it would create an opportunity cost and would not be an efficient use of limited funds. To avoid this scenario, the Administration staff have multiple development options and have identified a number of partners willing to participate in bringing about the highest and best use of the property in the shortest amount of time.

Mr. Cooper summarized the memo and stated this is a request for authorization of the purchase of seven parcels of property under one ownership located at approximately 21st Street and Ogden Avenue. He presented an aerial photograph to identify the locations of each of the seven parcels. He then reiterated the terms of the REPC as listed in the staff report.

Chair White introduced in writing proposed Resolution 2016-3, entitled:

“A resolution of the Ogden City Redevelopment Agency approving the terms and conditions of a real estate purchase contract by and between the Agency and the Gail B. Gibbs Revocable Family Trust for the acquisition of certain real property located within the East Washington Urban Renewal Project Area consisting of approximately 0.59 acres located between 21st and 22nd Streets and Ogden and Adams Avenues, Ogden, Utah.”

COUNCIL MEMBER HYER MOVED THE RESOLUTION BE ADOPTED, AND THE CHAIR BE AUTHORIZED TO SIGN THE SAME. MOTION WAS SECONDED BY COUNCIL MEMBER NADOLSKI WITH THE FOLLOWING ROLL CALL VOTE: VOTING AYE – BOARD MEMBERS GARNER, HYER, LOPEZ, NADOLSKI, STEPHENS, VICE CHAIR BLAIR AND CHAIR WHITE. VOTING NO – NONE.

Board member Comments

Board member Stephens stated he believes the Trackline Project as well as the project planned for the area between 21st and 22nd Streets and Washington Boulevard and Adams Avenue will provide great benefits to Ogden. There will be growth on both the east and west sides of the City.

There being no further business to come before the Agency, **BOARD MEMBER GARNER MOVED THE MEETING ADJOURN AT 7:33 P.M. MOTION WAS SECONDED BY BOARD MEMBER HYER, ALL VOTING AYE.**

/s/ Julia M. LaSeure _____
JULIA M. LASEURE, MMC
DEPUTY CITY RECORDER

/s/ Marcia L. White _____
MARCIA L. WHITE, CHAIR

APPROVED: March 22, 2016