NOTICE OF A MEETING OF THE VINEYARD REDEVELOPMENT AGENCY BOARD
March 22, 2017 – 6:00 PM

Public Notice is hereby given that the Vineyard Redevelopment Agency Board will hold a meeting on Wednesday, March 22, 2017**,** starting at approximately 6:00 PM or as soon thereafter as possible following the City Council meeting in the Vineyard City Hall; 240 East Gammon Road, Vineyard, Utah. The agenda will consist of the following:

Agenda

1. **CONSENT AGENDA:**
   No items were submitted.

2. **BUSINESS ITEMS:**
   2.1 DISCUSSION AND ACTION - <u>Funding Request - Bond</u> *(15minutes)*
   Anderson Geneva is requesting a bond to fund remediation and infrastructure on the Geneva Site. The RDA Board will take appropriate action.

3. **ITEMS REQUESTED FOR NEXT AGENDA –**
   (Requests for future agenda items are to be submitted to the City Clerk/Recorder the Friday before a City Council meeting. If there will be a cost to the city, project and event requests must be submitted with a fiscal impact analysis or report.)

Item	***Requested by***
• *Contract with Rocky Mountain Power to provide power to WatersEdge - $1.2 million*	*Public Works Director/Engineer Don Overson*

4. **ADJOURNMENT**

The Public is invited to participate in all Vineyard Redevelopment Agency meetings. In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Clerk at least 24 hours before the meeting by calling (801) 226-1929.

I the undersigned duly appointed Recorder for Vineyard, hereby certify that the foregoing notice and agenda was emailed to the Daily Herald, posted at the Vineyard City Hall, the Vineyard city website, the Utah Public Notice website, delivered electronically to city staff and to each member of the Governing Body.

AGENDA NOTICING COMPLETED ON: March 21, 2017

CERTIFIED (NOTICED) BY: /s/ Pamela Spencer PAMELA SPENCER, CITY RECORDER

Vineyard RDA Development Incentive Application

Use this application to request assistance with backbone infrastructure improvements, environmental remediation, and other necessary projects associated with the Geneva URA project area. ***Applicants are strongly encouraged to attach documentation which supports their proposal.***

1. Applicant Organization: *Anderson Geneva, LLC*
   Address: *9537 South 700 East*
   City/State/Zip: *Sandy, Utah 84070*
   Contact Person: *Gerald D. Anderson; Michael Hutchings; Jeffrey Walker; and Stewart Park*
   Phone/Fax/Email: *801-558-3575 (Gerald); 801-580-2538 (Michael); 801-699-6982 (Stewart); 801-990-4998 (fax); gerald@and-dev.com (Gerald); mhutchings@and-dev.com (Michael); jeff@and-dev.com (Jeff); stewart@and-dev.com (Stewart)*

   Is the Applicant the Property Owner? ☒ Yes ☐ No

2. Describe the type of project being proposed:
   ☐ Infrastructure ☒ Environmental Remediation

   ☐ Other ________________________________

   Provide a summary description of the proposed project here and attach a detailed scope of the proposed work.

   Anderson Geneva received approval from the Vineyard RDA board for the following relevant preliminary environmental remediation project budgets[1]:

   - *$19,200,000 for environmental remediation work on the east side of its property for the construction of the corrective action management unit (CAMU") (approved by the Vineyard RDA Board on May 25, 2016). This request was approved by the Vineyard RDA board on June 8, 2016 (the "East Side Remediation Project"). The East Side Remediation Project will be completed based on a contract between US Steel Corporation ("USS") and Anderson Geneva (the "USS/AG Contract"). The parties are in the final stages of finalizing the USS/AG Contract. This contract provides that USS will be the responsible party for the construction of most the East Side Remediation Project with AG being responsible for providing a portion of the funding ($19,200,000 coming from the Approved Funds, as herein defined).*

   - *$2,500,000 for environmental remediation work on the east side of its property for the removal of concrete (the "Concrete Removal Project") (approved by the Vineyard RDA Board on May 25, 2016). This request was approved by the Vineyard RDA board on June 8, 2016.*

   - *$8,486,760 for environmental remediation work on the west side of its property including (a) $4,736,760 to grub the site and remove the oil reclamation area (ORA) soils; (b) $2,000,000 to move the ORA soils to the transit center site (this is a Vineyard infrastructure project); (c) $1,000,000 for operations and maintenance (O&M) for 30 years; and $750,000 for a new storm drain (this is a Vineyard infrastructure project). This request was approved by the Vineyard RDA board on July 27, 2016 (the "West Side Remediation Project") (approved by the Vineyard RDA Board on July 27, 2016). Anderson Geneva is the responsible party for the completion of the West Side Remediation Project under the USS/AG Contract.*

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[1] *The Vineyard RDA board also approved $5,000,000 for ground water remediation. This request was also approved by the Vineyard RDA board on June 8, 2016. Anderson Geneva is not making any request for funding of this approved project in this application.*

These approvals total $30,186,760 (the "Approved Funds"). The Approved Funds were to be derived from tax increment revenue from the RDA property using 100% of the low-income funds, as well as the other available increment. The Vineyard RDA board anticipated that Anderson Geneva would submit the separate application for the actual funding of the Approved Funds using a new revenue bond based on available tax increment. This application is the first of what is anticipated to be a series of requests to obtain funds for the East and West Side Remediation and Concrete Removal Projects (sometimes collectively the "Projects").

Anderson Geneva has engaged financial advisors (Zions Public Finance, Inc.) to assist in the evaluation of the immediate and future revenue bonding capacity of the Vineyard RDA based on untapped existing and future tax increment. Anderson Geneva's objective is to assist the Vineyard RDA board in evaluating the use of its bonding capacity in the development of Vineyard, including both environmental remediation and infrastructure efforts.

Based on an analysis of the available tax increment, Anderson Geneva's advisors have determined that a tax increment revenue bond of more than $33,000,000 is justified based on current build-out patterns and conservative projections over the life of the proposed bond at a 2.750 net interest rate with a weighted average maturity of just under 13 years (the "Proposed Bond"). These advisors have further determined that should the Proposed Bond be approved that there will be sufficient revenue to service the debt service at a 2:1 ratio. These advisors have also indicated that Zions Bank would be an interested party in purchasing the Proposed Bond.

Anderson Development proposes that the Proposed Bond be used to provide the preliminary environmental remediation as follows:

East Side Remediation Project: $8,500,000 for initial payment under the USS/AG Contract for site preparation of the CAMU and $1,050,000 for placement of the TOSSA material into the CAMU.

Concrete Removal Project: $2,500,000.

West Side Remediation Project: $4,737,760 for construction of the west side repository and placing the contaminants therein.

TOTAL ESTIMATED ENVIRONMENTAL REMEDIATION AMOUNT NEEDED OUT OF THE PROCEEDS OF THE PROPOSED BOND: $16,787,760.

Anderson Geneva supports the use of the Proposed Bond to fund selected infrastructure projects[2] identified by Vineyard for various projects, including, but not limited to, the following (subject to approval by the Vineyard RDA Board):

- *Moving the ORA soils to the transit center site (part of the West Side Remediation Project): $2,000,000.*
- *Construction of a new storm drain (part of the West Side Remediation Project): $750,000.*
- *Construction of water storage tank in Vineyard: $4,000,000.*
- *Construction of sewer lift station #1 upgrade: $100,000.*
- *Construction of 16" water line from 800 North to 1600 North: $500,000.*
- *Construction of cross-connection of Orem water system: $500,000.*
- *Construction of extension of Main Street north into the Town Center: $2,000,000.*
- *Construction of Mill Road to 1200 North: $1,000,000.*
- *Construction of roads for proposed Walmart property: $1,000,000.*
- *Construction of storm drain under UP spur: $400,000.*
- *Construction of Mill Road sewer/water system: $800,000.*
- *Construction of Town Center sewer/water system: $500,000.*
- *Construction of sewer lift station #2 upgrade phase 2: $TBD*
- *Construction of road from Main Street to Frontrunner: $500,000.*
- *Construction and widening of road from 400 North to the RR Main Line: $500,000.*
- *Construction of road from Megaplex to 400 North: $200,000.*
- *Construction of storm drain line from 800 North to 1600 North: $1,000,000.*

TOTAL ESTIMATED INFRASTRUCTURE AMOUNT NEEDED OUT OF THE PROCEEDS OF THE PROPOSED BOND: $15,750,000.

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[2] *This proposed infrastructure funding list does not include the purchasing of wet water for the general use of Vineyard residence, as Anderson Geneva is uncertain whether such a use of the Proposed Bond is permitted under the RDA. Anderson Geneva suggests that such wet water be purchased by impact fees paid by the users of the wet water.*

Anderson Geneva's financial advisors have projected that within three to five years following the issuance of the Proposed Bond, based on growth projections within Vineyard, that revenue bonding capacity from future tax increment will exist so that additional revenue bonds can be considered by the Vineyard RDA board for funding of other components of the East Side Remediation Project (e.g., ground water remediation), as well as additional infrastructure needs of Vineyard. Such requests will necessarily come to the Vineyard RDA board by application.

3. Contribution of the Applicant:

See Anderson Geneva's Applications dated May 4, 2016 (East Side Remediation and Concrete Removal Projects) and June 20, 2016 (West Side Remediation Project), presentation materials provided to the Vineyard RDA board by Anderson Geneva over the Projects, as well as minutes from the Vineyard RDA board meetings dated May 11, 2016 (specifically pages 1-5), May 25, 2016 (specifically pages 2-3), June 8, 2016 (specifically pages 2-5), and July 27, 2016 (specifically pages 4-7) for discussions regarding the contributions that Anderson Geneva have made towards the Projects.

4. Describe the ability of the site to be developed without assistance.

The property cannot be remediated and infrastructure installed without RDA participation and incentives.

5. Describe the reasonable justification for the need of public investment in this project.

See Amended Geneva Urban Renewal Area Project Area Plan dated February 9, 2011; see also Anderson Geneva's Applications dated May 4, 2016 (East Side Remediation and Concrete Removal Projects) and June 20, 2016 (West Side Remediation Project), presentation materials provided to the Vineyard RDA board by Anderson Geneva over the Projects, as well as minutes from the Vineyard RDA board meetings dated May 11, 2016 (specifically pages 1-5), May 25, 2016 (specifically pages 2-3), June 8, 2016 (specifically pages 2-5), and July 27, 2016 (specifically pages 4-7) for discussions regarding the justification for the Projects.

6. Describe the land area which will be benefitted from the proposed project and the impact to future development.

See Amended Geneva Urban Renewal Area Project Area Plan dated February 9, 2011; see also Anderson Geneva's Applications dated May 4, 2016 (East Side Remediation and Concrete Removal Projects) and June 20, 2016 (West Side Remediation Project), presentation materials provided to the Vineyard RDA board by Anderson Geneva over the Projects, as well as minutes from the Vineyard RDA board meetings dated May 11, 2016 (specifically pages 1-5), May 25, 2016 (specifically pages 2-3), June 8, 2016 (specifically pages 2-5), and July 27, 2016 (specifically pages 4-7) for discussions regarding the benefits to Vineyard resulting from the Projects.

7. Describe the impact this project will have on new jobs, or the quality of existing jobs (number and average salary).

See Amended Geneva Urban Renewal Area Project Area Plan dated February 9, 2011; see also Anderson Geneva's Applications dated May 4, 2016 (East Side Remediation and Concrete Removal Projects) and June 20, 2016 (West Side Remediation Project), presentation materials provided to the Vineyard RDA board by Anderson Geneva over the Projects, as well as minutes from the Vineyard RDA board meetings dated May 11, 2016 (specifically pages 1-5), May 25, 2016 (specifically pages 2-3), June 8, 2016 (specifically pages 2-5), and July 27, 2016 (specifically pages 4-7) for discussions regarding the impact the Projects will have on new and existing jobs.

8. Attach a chart which describes the proposed timeline of the project, including expected dates for start and completion.

Once the Proposed Bond is secured and funded the timeline on the completion of the environmental remediation work should be completed as follows:

- *East Side Remediation Project: completion within approximately 3.5 years.*
- *Concrete Removal Projects: completion within approximately 2 years.*
- *West Side Remediation Project: completion within approximately 18 months.*

See also Anderson Geneva's Applications dated May 4, 2016 (East Side Remediation and Concrete Removal Projects) and June 20, 2016 (West Side Remediation Project), presentation materials provided to the Vineyard RDA board by Anderson Geneva over *the Projects, as well as minutes from the Vineyard RDA board meetings dated May 11, 2016 (specifically pages 1-5), May 25, 2016 (specifically pages 2-3), June 8, 2016 (specifically pages 2-5), and July 27, 2016 (specifically pages 4-7) for additional information and discussions regarding a timeline for the Projects.*

9. Will the RDA own any of the infrastructure related to this project? If so, describe/elaborate.

   Vineyard will own all the items identified as Vineyard infrastructure projects under paragraph 2, above.

10. How much taxable value will your project add to the tax rolls? (Indicate whether your estimate is above the existing taxable value or total including the existing value. Also, provide supporting detail for how the estimate was derived.)

    The increases in taxable value are significant and will be presented to the Vineyard RDA Board in public hearings. Information on increases in taxable value have already been presented. See Amended Geneva Urban Renewal Area Project Area Plan dated February 9, 2011; see also Anderson Geneva's Applications dated May 4, 2016 (East Side Remediation and Concrete Removal Projects) and June 20, 2016 (West Side Remediation Project), presentation materials provided to the Vineyard RDA board by Anderson Geneva over the Projects, as well as minutes from the Vineyard RDA board meetings dated May 11, 2016 (specifically pages 1-5), May 25, 2016 (specifically pages 2-3), June 8, 2016 (specifically pages 2-5), and July 27, 2016 (specifically pages 4-7) for discussions regarding how the Projects will add to the taxable value of the tax rolls.

The RDA may require additional information related to this application before a decision is made.

Signature of Applicant ______________________________ Date 1-31-17

Printed Name: *Gerald Anderson* Title: *Manager*