RESOLUTION NO. 2018-12RDA

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY
AUTHORIZING THE AGENCY TO ENTER INTO A FOUR-MONTH EXCLUSIVE
NEGOTIATION WITH TAG SLC FOR THE ACQUISITION OF AGENCY-OWNED
PROPERTY AT 695 WEST FIFTH AVENUE

WHEREAS, the Redevelopment Agency of Midvale City ("Agency") was created to
transact the business and exercise the powers provided for in the Utah Redevelopment Agencies
Act; and

WHEREAS, on November 17, 2015 the Agency adopted Resolution 2015-13RDA
approving the CDA Project Area Plan for the Midvale Main Street CDA Project Area; and

WHEREAS, the Agency and Midvale City ("City") seek to revitalize the Midvale Main
Street CDA Project Area; and

WHEREAS, the Agency owns property located at 695 West Fifth Avenue/ 7555 S Main
Street ("Property"); and

WHEREAS, the Agency believes the redevelopment of the Property will contribute to the
revitalization of the Midvale Main Street CDA Project Area; and

WHEREAS, on July 17, 2018 the RDA Board adopted resolution 2018-07RDA approving
the terms for a Request for Proposals for the development of the Property; and

WHEREAS, responses to the Request for Proposals were due on October 1, 2018; and

WHEREAS, TAG SLC LLC submitted a response to the Request for Proposals; and

WHEREAS, on October 15, 2018 a Selection Committee recommended TAG SLC as the
first-ranked developer based on its review and consideration of all submittals received in
accordance with the Request for Proposals; and

WHEREAS, the RDA Board concurs with the recommendation of the Selection
Committee; and

WHEREAS, the RDA Board desires to select a developer with whom to exclusively
negotiate the sale and development of the Property.

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE
CITY, that the Board of Directors does hereby grant to TAG SLC the exclusive right to negotiate
for the acquisition of the property located at 695 West Fifth Avenue for the period ending March
1, 2019. During the exclusive negotiations period, the Agency and TAG SLC shall negotiate
and, use good faith efforts to execute a purchase and sale agreement, development agreement,
and all other agreements required by the Agency, with such terms and conditions as the Agency’s staff determine are necessary or appropriate and with such other terms and conditions recommended by the Agency’s legal counsel. TAG SLC’s exclusive right to negotiate for the acquisition of the Property shall expire on March 1, 2019 if a purchase and sale agreement has not been executed.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY, STATE OF UTAH, this 29th day of November, 2018.

Robert Hale
Chief Administrative Officer

Kane Loader
Executive Director

Voting by the Board:

<table>
<thead>
<tr>
<th></th>
<th>“Aye”</th>
<th>“Nay”</th>
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<tbody>
<tr>
<td>Dustin Gettel</td>
<td>✔</td>
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<tr>
<td>Paul Glover</td>
<td>✔</td>
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<tr>
<td>Quinn Sperry</td>
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<tr>
<td>Paul Hunt</td>
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<tr>
<td>Bryant Brown</td>
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EXHIBIT A

Depiction of Location

Basketball Courts

March 20, 2016
5th Avenue Basketball Court RFP

Project Description

Beck + Partners proposes to construct a 3-story mixed use commercial building consisting of both residential/office (flex) and retail uses.

The purpose of this project is to assist in making main street a significant retail and cultural activity center with a focus on creating more pedestrian activity on main street.

We believe Main Street has specific characteristics that make it a place where this can happen. These characteristics include narrow streets, beautiful and authentic old brick buildings, wide sidewalks, mature trees, accessibility to transportation and freeways, new residential development to the west and south and established residential to the east to help support Main Street as a vibrant place.

With this project, we want to contribute to creating a sense of place for those residents and visitors alike. We wish to build a project that weaves in seamlessly with the current built environment and attract uses that will help further it along as an important cultural and retail center. We respect and admire the historical patterns and precedents along Main Street.

We believe Main Street, if redeveloped correctly, will be a huge asset to not only Midvale but to the residents of Salt Lake County. With so much development being focused on sprawl and auto dependent communities, we want to contribute to a place that focuses on the human scale and interaction and we believe Main Street is a great location for this type of development.

As mentioned, the ground floor will consist of retail uses. Our goal is to attract a coffee shop or café tenant, along with other retail uses. While attending a recent open house for the new Main Street redevelopment plan, the residents of Midvale articulated the need/want for a coffee shop on Main Street. Our hope is that this coffee shop/café is located in this project. We feel this is the type of use that is vital and important for Main Street and to accomplish the RDA’s goal of providing an activity center that attracts pedestrian activity to Main Street.

We have engaged with a local coffee manufacturer, La Barba, to potentially take the entire retail floor. They would have a coffee shop on the corner, their corporate training and office located in the middle of the retail, and their roastery would be on display in the most southern portion for pedestrians to experience how coffee is made.
There is a shift in the retail landscape where consumers don’t want to just shop, they want to have an experience. Main street lends itself perfectly for this experience.

The retail level will be mostly storefront glass and brick.

The second story will consist of either residential or office uses, depending on market demand. We are currently looking into a co-working and shared space operator to occupy the second floor.

The third floor will consist of residential space. Which may include for sale or for rent units depending on market demand. We believe having a residential component to this project and directly on Main Street will contribute to increasing pedestrian activity, vibrancy and community. This level will also consist of a balcony that overlooks both Main Street and Fifth Avenue and further the connection with the street.

Anticipated start date for the project to be Spring 2019 with completion Fall of 2019.

Green Building

This project will incorporate green building techniques by incorporating a product called Aerobarrier. AeroBarrier is a new and innovative envelope sealing technology that is transforming the way residential, multifamily, and commercial buildings seal the building envelope. When a building’s envelope is tight and less leaky, it requires less energy to heat and cool the space. 40% of all CO2 emissions are from buildings. Most building emissions are from overrun mechanical systems. With Aerobarrier and additional filters on the mechanical system, indoor air quality is greatly improved for a healthier and greener environment.

A description of the developer’s strategy for maximizing pedestrian activity on Main.

Main Street, today, is missing a place where people have a reason to stay. We want to create an environment where people want to be. A place that enhances social connection. A big part of creating a space like this is the materials and thoughtful placement of storefronts, walls, lighting, artwork, etc. These elements matter. That is why Main Street is such a unique asset. It already has an environment that has been built to matter. The materials of brick, stone and steel, the mature trees and narrow streets. The wide sidewalks. The street has the bones to be a place where people want to be. All that is missing is a reason to be there. Our goal is to create a retail experience that people enjoy. Having a potential tenant like La Barba Coffee, creates an inviting environment. With residential units and/or office units on Main Street, it will add to the vibrancy of people coming and going on Main Street. It will help incentivize and attract other businesses to be a part of the revitalization of Main Street.
We will be incorporating a mural on the building as a way to contribute to a sense of identity for Main Street. Muralist Grace McCammond said, "Murals build a sense of community... they make it welcoming and walkable and they make you want to go there.

The architecture firm, Be-Wow, also has a design arm that focuses on community artwork. Below are some examples of their work:
Statement of Qualifications

Identification of the legal entity with whom the Agency would contract.

Beck + Partners LLC

Identification of the developer, including potential joint venture or limited partners.

The Developer will be Jeff Beck with Beck + Partners LLC. Jeff has over 10 years of investing, developing and managing of Single Family, Multi-Family, Industrial, Office and Retail Properties. He has experience and expertise in land entitlements, project management, construction management, new construction, value add and adaptive reuse projects. Beck + Partners is also involved in other properties on Main Street that will be redeveloped in the near future.

As a member of the Congress for New Urbanism, one of the focus’ of Beck + Partners is to find, develop, and invest in projects that enhance our physical environment and to create places where people enjoy being. New urbanists believe that well designed places help create community: “healthy places for people and businesses to thrive and prosper.”

Potential joint venture and limited partners include Knowlton General, Be-wow, and Digg Partners. Bio’s below.
Past projects that are relevant to this project are:

**Arlington Park Townhome Project:**
- Address 1075 E 800 S Salt Lake City
- Arlington Park consisted of 6 for sale luxury townhomes.
- Developers role in the project including:
  - Finding property
  - Land Entitlement
  - Planning and design
  - Permitting
  - Secured financing
  - Project manager and General Contractor
- The project sold out before completion and set new records for price/sf for townhomes in Salt Lake.
- References:
  - Mitchell Spence: Principal at Redfish Builders
    - 801-380-5691
    - Mitchellspence@redfishbuilders.com
  - Michael Ivins: Meridian Title
    - 801-450-5062
    - Michael@mtcutah.com
Pacific Avenue Building

- Address: 723 S Pacific Avenue Salt Lake City, Utah
- Description: The Pacific Avenue building was a former United States Post office Fleet servicing warehouse. Beck + Partners purchased the 22,000 sf building and converting the warehouse into creative office space. Current tenants include NWL Architects, a local Architecture firm and Haskell Construction, an international General Contracting firm.
- Developers role in the project:
  - Found deal
  - Secured partners
  - Secured financing
  - Secured Historic Tax Credits
  - Planning and design
  - Entitlements
  - Permitting
  - Managed General Contractor and helped source sub-contractors
  - Property Management
- Reference:
  - Philip Wentworth with NWL Architects
    - 801-979-8588
    - Philip@nwlarchitects.com
Bountiful Flex Building

- **Address:** 1051 S 500 W Bountiful, Utah 84010
- **Description:** The Bountiful Flex building consists of 17,000 sf of flex space. The uses vary between retail, office and warehouse. The project was completely leased prior to certificate of occupancy. Current tenants and uses include:
  - Salt Coast Trading Company: an antique land rover dealer
  - Utah Safe Outlet: a retail store and warehouse for local safe and vault company
  - Muddy Buddy pottery: A local pottery studio
  - Timer's Plus: An ecommerce office and fulfillment center of sprinkler parts and timers.

- **Developers Role:**
  - Project Inception
  - Planning and design
  - Entitlements
  - Permitting
  - Managed General Contractor and helped source sub-contractors
  - Sourced Tenants
  - Property Management

- **References**
  - Jared Ericksen: Timer's Plus
    - 801-725-2262
    - jared@sprinklersystemstore.com
  - Cameron Barlow: Stout General Contractors
    - 801-783-6362
    - cameronb@stoutbc.com
Key individuals and Consultants and roles:

**Beck + Partners:** Jeff Beck will oversee overall organization and management of this project. He will be involved in planning, coordination and execution. He will work with the consultants below to ensure this project is successful.

**Digg Partners:** Financial backing. Digg Partners is a small family office that invests in commercial real estate holdings. Digg Partners has invested in Multi-Family housing, retail, office, and industrial properties in Utah and Nevada. Beck + Partners has partnered with Digg Partners on more than 10 projects totaling over $20M.

**Be-Wow:** Greg Walker will run point on design, planning and permitting. He and his firm will also be tasked with the branding of the project. Be-wow has extensive experience programming and creating spaces that are unique and centered around placemaking. [www.be-wow.com](http://www.be-wow.com)

**Knowlton General:** Brian Knowlton and Randy Beyer will oversee Construction management and implementation. Knowlton General has expertise in mixed use development and has been cited in case studies for successful implementation of mixed use construction and development on Main Streets. [http://www.kowltongeneral.com](http://www.kowltongeneral.com)
# 5th Avenue Basketball Court 5 Year Pro Forma

## Cash Flow Summary - PHASE I

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<td><strong>Revenue</strong></td>
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<tr>
<td>Retail Income</td>
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<td><strong>% Change</strong></td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>Reserves</td>
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<td>Total Expenses</td>
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<td><strong>NOI</strong></td>
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### Income Metrics

- **Yield on Unlevered Cost**
  - Average: 6.79%

- **Debt Service Coverage Ratio**
  - $183,516.77

- **Net Operating Cash Flow**
  - $(-53,732.27) $69,009.37 $76,282.14 $83,773.09 $91,488.78

- **Cash on Cash**
  - Average: 6.12%

- **Net Cash Flow**
  - $(872,010.75) $(-53,732.27) $69,009.37 $76,282.14 $83,773.09 $91,488.78

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### Costs

- **Land Cost**: $120,000 / $5.94
- **Hard Cost**: $2,159,660 / $106.91
- **Soft**: $754,783 / $37.36
- **Ti**: $453,600 / $22.45
- **Total**: $3,488,043 / $172.67

### Financial Ratios

- **LTV**: 75%
- **Loan**: $2,616,032.25
- **Equity**: $872,010.75
- **Interest**: 5.00%
- **Amortization**: 25
- **PMT**: $183,516.77

### Additional Metrics

- **Net Flex/Residential Rate**: 11%
- **Net Retail Rate**: 14%
- **Escalations**: 3.00%
- **Year 1 Vacancy**: 50%
- **Stabilized Vacancy**: 5%
- **Reserves**: 0.5%