

CITY OF NORTH SALT LAKE
LOCAL BUILDING AUTHORITY MEETING
SEPTEMBER 6, 2016

FINAL

Chairman Len Arave called the meeting to order at 8:34 p.m.

PRESENT: Members of the Board
Len Arave, Chairman
Brian Horrocks
Stan Porter
Matt Jensen
James Hood

EXCUSED: Ryan Mumford, Board Member

STAFF PRESENT: Barry Edwards, City Manager and LBA Secretary; Ken Leetham, Assistant City Manager; Janice Larsen, Finance Director; David Church, City Attorney; Linda Horrocks, Deputy Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Brandon Johnson, Farnsworth Johnson.

1. PROVIDE FOR THE ORGANIZATION OF THE BOARD OF TRUSTEES OF THE LOCAL BUILDING AUTHORITY OF THE CITY AND RELATED MATTERS

Stan Porter moved to approve the Building Authority Organizational papers. Brian Horrocks seconded the motion. The motion was approved by Board Members Arave, Jensen, Horrocks, Porter and Hood. Ryan Mumford was excused.

2. CONSIDERATION OF RESOLUTION LBA-2016-01 AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OF THE LOCAL BUILDING AUTHORITY

Barry Edwards reported that the building authority will approve the terms of the bond and the maximum interest rate.

Brandon Johnson said that this will be set up to allow the new authority to approve the parameters and sign off on the final terms of the bonds.

Barry Edwards said that the interest rate on the bonds would be somewhere between 1% and 3.45%.

Chairman Arave asked what the term of the bond would be. Brandon Johnson replied that the maximum term would be 11 years.

Matt Jensen commented that the loan payment would be \$100,000.00 per year with roughly \$40,000.00 to \$50,000.00 in revenue from the rental properties on the proposed land. He asked where the remainder of the funds to pay the bond payment would come from. Barry Edwards replied that funds could come from the Redevelopment Area (RDA), park impact fees and other funds from the City.

Brandon Johnson commented that these would be building authority bonds which are subject to annual appropriation fees and would be annually renewable. He said the revenue source would not be specified and the City could use any available funds each year to make the payments.

Barry Edwards recommended that the City bond for \$1.1 million for ten years which could be paid off at any time with no penalty.

Brian Horrocks commented that if the City purchases the properties now, they could be resold in the future if necessary. He also said that the park impact fees could be used to improve the existing park.

Chairman Arave asked what the annual rents and property management fees would be. Barry Edwards replied that the rents would be approximately \$60,000.00 and the management fee could be 10% of that. At \$1.14 million, which would be enough to buy the proposed properties, the total principal and interest is 1.335% with about \$200,000.00 in interest. He reminded the Board that in ten years these parcels will go up price.

Stan Porter commented that residents are paying park impact fees and that in the future residents should get what they are paying for.

Chairman Arave asked how many acres would be acquired if the City buys the proposed properties. Barry Edwards replied that it would be three to four acres. He said that the drive to acquire these properties is due to the General Plan and asked what other areas in the City could be used for parks.

Chairman Arave commented that he believes there is a shortage of soccer fields and that the gun club and gravel pit areas could be used for parks or playing fields. Barry Edwards replied that

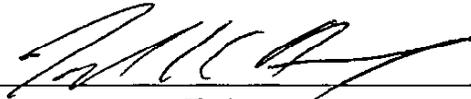
purchasing the proposed properties would be an extension of the Towne Center and that this area needs an investment to be improved and revitalized.

Matt Jensen commented that purchasing these properties and expanding Hatch Park is the right thing to do as it would increase the amount of public space and amenities. If the City does not buy the properties they will be sold to other buyers and unwanted things could be built. James Hood and Stan Porter were also in agreement to purchase the properties around Hatch Park.

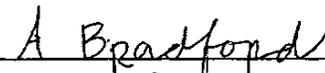
Stan Porter moved to adopt Resolution LBA-2016-01 a resolution of the Board of Trustees of the Local Building Authority of the City of North Salt Lake, Utah, authorizing the issuance and sale of lease revenue bonds, Series 2016. James Hood seconded the motion. The motion was approved by Board Members Jensen, Horrocks, Porter and Hood. Chairman Arave voted in opposition to the motion, and Ryan Mumford was excused.

3. ADJOURN

Chairman Arave adjourned the meeting at 9:00 p.m.



Chairman



Secretary