



REDEVELOPMENT AGENCY  
OF SALT LAKE CITY

HISTORIC BUILDING PRESERVATION  
REIMBURSEMENT PROGRAM

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Owners or developers of buildings listed on the National or Salt Lake City Register of Historical Places are eligible for tax increment reimbursements up to 50% of the cost of renovating to a vanilla shell status. Plans for the exterior renovation of the building must be approved by the State Historic Preservation Officer. The reimbursement is generated from the increase in property tax as a result of the building improvements.

**Eligible Properties:**

1. The buildings to be renovated must be listed on either the National Register of Historic Places or the Salt Lake City Register of Historic Places and must be located within the Project Area tax increment collection area.
2. The owner's plan for the property contributes to the RDA's goals for the Project Area and conforms to the neighborhood's master plan. RDA goals are available upon request.

**Persons Eligible to Apply:**

1. The applicant for a reimbursement must be the title owner to the property.
2. Property taxes and special assessments must be current.
3. No judgments or liens are outstanding against the applicant(s).
4. The Agency shall not discriminate against any applicant because of race, handicap, age, color, religion, sex, or national origin.

**Pre-requisites:**

1. The plans for the exterior renovation of the building must be approved by the State Historic Preservation Officer for buildings which are only listed on the National Register of Historic Places and by the Salt Lake City Landmarks Committee for buildings which are listed on the Salt Lake City Register of Historic Places.
2. The owner and the Agency shall enter into an Owner Participation Agreement (OPA) acceptable to the Agency.

**Basis for Reimbursement or Grant:**

The Agency will reimburse or grant the owner(s) or developer up to 50% of the cost of completing the renovation to a vanilla shell status (i.e. walls separating the tenant improvements from other tenant space installed, sub-flooring installed, HVAC installed to the tenant spaces, finished electrical installed within the separating walls, one phone line conduit to each tenant space, one restroom installed for tenant's use or two restrooms per floor for use by multiple tenants) in excess of the cost of constructing an equal amount of new space to a vanilla shell status, for the use proposed. The cost of constructing an equal amount of new space shall be based upon the cost for constructing a building appropriate for the type of use proposed in Salt Lake City provided in the current R.S. Means Building Cost Construction Data manual using the median cost per square foot for the type of building, adjusted for Salt Lake City, and multiplied by 1.25 to reflect the soft costs of development including design, construction management, financing fees, etc. (the "Base Cost"). The cost to be reimbursed by the Agency shall be the actual cost of the renovation to a vanilla shell status plus reasonable design fees, reasonable construction management fees, reasonable financing fees, reasonable insurance fees, and other reasonable soft costs less the Base Cost (the "Reimbursement Amount").

**Required Owner Participation Terms:**

1. The owner(s) or developers shall pay the initial cost of the renovation. The Agency will make its contribution from the property tax increment generated by the development of the owner(s)' or developer's contiguous property within the Depot District tax increment collection area. The Agency shall adopt a payment plan as part of the OPA for each development. Property tax payments shall not exceed 50% for ten years or 100% for five years. For projects where the Agency payment amount is less than \$250,000, the Agency may prepare and attach to the OPA a fixed payment schedule. If no fixed payment schedule has been established, the amount to be paid shall be based upon the property tax increment generated by the development and the owner(s) or developer must provide the Agency with an estimated payment amount for the next tax year in October of the prior tax year. Owner(s) or the developer shall provide the Agency with a copy of their tax bills for the current year prior to payments being made. No payments shall be made on property where taxes have not been timely paid.
2. Amounts due from the Agency which are not paid up-front shall accrue interest at a rate equal to the developer's long term financing compounded annually. Interest shall be accrued at the end of each accrual period. Interest shall not start to accrue until a certificate of occupancy for the renovated historic building has been issued by Salt Lake City.
3. Agency shall have the right to prepay the amounts due at any time. Any prepayment shall proportionately reduce the percentage of tax increment to be paid to the owner, i.e. if the payment plan envisions payments at a rate of 50% of the tax increment collected by the Agency, a prepayment of the principal amount of 10% and all accrued interest would reduce the payment rate by 5% (or 10% of 50%).
4. Payments shall be subordinate to current and future bond issues of the Agency provided that at the time the bonds are issued (i) no event of default by Agency has occurred and is continuing under the OPA(s) and (ii) estimated tax increment revenues for each year available for the debt service or payments on existing and proposed Depot District bonds and existing OPA(s), when the amounts due under the OPA(s) are amortized over the remaining term of the agreements and the maximum payment percentage is assumed as agreed to in the OPA, is greater than or equal to 120% of the sum of the debt service on existing and proposed Depot District bonds and OPA(s). The Agency shall have the right to pre-pay or defease OPA amounts necessary to meet the 120% test.
5. Each OPA shall release the Agency's power of eminent domain for the property covered by the OPA.
6. The Agency may impose additional restrictions as appropriate to implement the City's Master Plan or the Project Area Plan.

**Additional Program Policies:**

1. Reimbursement programs cannot be used by owner(s)' or developer(s) who have obtained a loan under the Agency's other programs. These include Building Renovation, New Construction, Environmental Assessment & Remediation, High Performance Building, and Housing Property Acquisition Loan programs.
2. If multiple reimbursement programs (historic preservation, open space creation, or parking structure assistance) are used for the same project, the maximum time and amount for reimbursements shall be 50% for 20 years or until sunset of the project area, whichever is less.

**Exceptions to Program Criteria:**

The Board of Directors, by a majority vote of those present, provided that a quorum is present, may waive requirements or make exceptions to the foregoing criteria and procedures with a finding that the goals of this program will be furthered by such waiver or exception. Agency staff will prepare a written statement regarding the waiver or exception and shall place the original statement and a copy of the minutes of the Board of Directors in the loan file.