

MINUTES OF THE  
747<sup>th</sup> MEETING OF THE  
BOARD OF DIRECTORS OF THE  
REDEVELOPMENT AGENCY OF SALT LAKE CITY  
Tuesday, June 10, 2014  
451 South State Street, Room 326  
Salt Lake City, Utah  
2:00 pm

1. [2:33:48 PM](#) Roll Call. The following members of the Board of Directors of the Redevelopment Agency of Salt Lake City were present:

Stan Penfold, Chairperson  
Kyle LaMalfa, Director  
Charlie Luke, Director  
Lisa Adams, Director  
James Rogers, Director  
Erin Mendenhall, Director

Absent:

Luke Garrott, Director

Also Present:

David Everitt, Chief of Staff  
Eric Shaw, Director Salt Lake City Community and Economic Development  
D.J. Baxter, Executive Director  
Justin Belliveau, Deputy Director

Others Attending:

Matt Dahl, Senior Project Manager  
Ed Butterfield, Senior Project Manager  
Jill Wilkerson-Smith, Project Manager  
Ben Davis, Project Manager  
Kort Utley, Project Coordinator  
David Arteaga, Project Coordinator  
Ashlie Easterling, Project Area Specialist  
Shaké Agaronyan, Property Manager  
Clayton Scrivner, Marketing and Communications Coordinator  
Damon Georgelas, Agency Legal Counsel  
Crayola Berger, Office Manager  
Jennifer Bruno, Salt Lake City Council Office  
Valda Tarbet, Housing Authority of Salt Lake City

Terry Feveryear, Housing Authority of Salt Lake City  
Joe Post, Housing Authority of Salt Lake City  
Dave Minor, Housing Authority of Salt Lake City

Some items were considered in an order different than listed on the agenda, time stamps shown indicate when items were considered.

2. [2:30:59 PM Briefing by the Staff.](#)

Chairperson Penfold stated that the Redevelopment Agency of Salt City was founded 45 years ago on June 10, 1969. He invited Ms. Valda Tarbet, who was a member of the RDA staff for 40 years, to join him and Executive Director Baxter in cutting a cake to celebrate the anniversary.

[2:34:12 PM](#) Executive Director Baxter introduced and welcomed Ms. Shaké Agaronyan who recently joined the RDA as Property Manager. Ms. Agaronyan reviewed her background with the Board.

Executive Director Baxter stated that last year, an RFP (request for proposals) for the Marmalade Block properties was released. The responses received for the commercial parcel on the corner of 600 North 300 West (Parcel 3) were not as hoped for, so a decision was made to re-issue the RFP. This will occur in July.

Executive Director Baxter said the tour of the Wilmington Gardens project scheduled June 17, has been rescheduled for June 24 and July 8 in conjunction with the Sugar House tours scheduled by the Council office.

Executive Director Baxter reminded the Board that the July Board meeting has been cancelled. The next RDA meeting will be held August 12, 2014.

Executive Director Baxter said that at the June Board meeting, Salt Lake County requested assistance for funding a consultant for the Convention Headquarters Hotel. As a part of that discussion, the RDA Board requested the opportunity to review and approve the representatives from Salt Lake City to serve on the RFP Developer Selection Committee. This will be considered as a part of the consent agenda.

An interest was also expressed in having a public discussion regarding the site selection. He said two methods to do so are being considered, either a formal discussion in an RDA Board meeting, or the Planning Division has offered to organize and host an open house about sites for the Convention Hotel, to which the public would be invited to review the project and provide input.

Director LaMalfa suggested the public open house. Mr. Shaw said that because of sensitive negotiations regarding land, staff will frame the discussion on desired traits, how the site should interact with the area, and the desired amenities. Chairperson Penfold asked staff to proceed with the open house. He requested that Board members are notified of the schedule for this event.

3. [2:41:21 PM Approval of the Minutes from the Meeting held May 13, 2014.](#)

Director Luke made a motion to approve the minutes of the May 13, 2014 meeting. Director Mendenhall seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

4. [2:41:39 PM](#) Report of the Chief Administrative Officer.

There was no report of the Chief Administrative Officer.

5. [2:41:51 PM](#) Public Comments.

Chairperson Penfold called for public comments. There were no public comments.

6. Redevelopment Business/Routine Matters.

A. **2014-15 Budget**

1) [2:42:24 PM](#) **Public Hearing for Consideration of the 2014/2015 Annual Implementation Budget.**

*The RDA Board will hold a Public Hearing to accept comments from the public regarding the proposed 2014-2015 RDA Budget*

Executive Director Baxter said the budget process has been handled differently than in the past, and thanked the Board for their direction and patience during this change. He reviewed the process and how funds were allocated. He said one change was made to the proposed budget since the discussion at the May Board meeting, Chairperson Penfold requested that an allocation of \$12,700 for a Historic Building inventory be included in the Depot District, as discussed by the City Council.

Chairperson Penfold opened the public hearing and called for public comments on the 2014-2015 annual implementation budget. There were no public comments.

Director Luke made a motion to close the public hearing. Director LaMalfa seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the public hearing was closed.

2) [2:45:17 PM](#) **Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Adopting the Annual Implementation Budget for the Fiscal Year Commencing July 1, 2014 and Ending June 30, 2015.**

*The RDA Board will review and consider adoption of the RDA's 2014-2015 Budget, which determines the allocation of tax increment funds for the coming fiscal year.*

Director LaMalfa expressed support for the new budget process, and proposed that the strategic plans be fitted with the City plans. Chairperson Penfold said this would be discussed in item 6B.

[2:47:41 PM](#) Director LaMalfa made a motion to approve the resolution. Director Luke seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

B. [2:48:10 PM](#) **Review and Discussion of Strategic Plan Development Process.**

*RDA Staff has prepared a proposed process for developing 3-5 year project area strategic plans. The RDA Board will review and consider the proposal, as well as provide staff with direction on how to proceed.*

Mr. Dahl said that in January, RDA staff proposed a new process to address how policies and RDA budgets are established. In the past, single-year, priority projects were established for each project area. The new process will create 3-5 year strategic plans that will be extensions of the policies established by this Board and the State Legislature. These plans would provide operational direction for the RDA. He described the process utilized this first year, and said in the next few months staff will work with the Board to create more comprehensive strategic plans for each project area. He reviewed the proposed schedule for this process.

Director Mendenhall asked whether the proposed budget process would be more labor and time intensive than the previous process. Mr. Dahl felt the review of policies and establishment of the strategic plans the first year may require more labor and time, but that the process should require less effort in the future. Executive Director Baxter added that the concept is to have more robust discussions at the policy level, which should make operational decisions simpler. Board members agreed to this schedule.

7. Redevelopment Business/Old Business.

A. **444 South 900 East Property (Kiwanis Felt site).**

1) [2:54:43 PM](#) **Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving the Amended Terms for the Purchase and Sale Agreement, Development Agreement, Special Warranty Deed, and Guaranty of Completion and Performance with the Housing Authority of Salt Lake City, Utah for the Development of RDA Owned Property Located at 444 South 900 East Salt Lake City, Utah.**

*The Board will consider amending the terms for Purchase & Sale and other Agreements for the sale of property located at 444 South 900 East to the Housing Authority of Salt Lake City.*

2) **Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving the Terms of a New Construction Loan to the Housing Authority of Salt Lake City.**

*The Board will consider a \$1,710,000 loan request for construction of 68 affordable housing units at 444 South 900 East.*

Mr. Butterfield reviewed the background of this parcel, which was purchased by the RDA for an affordable housing development. The item before the Board will amend the term sheet approved in August 2013, and finalize the terms of the Purchase and Sale Agreement. These amendments will extend the execution date of the agreement to the end of June 2014, and the commencement date for the development to early October.

Chairperson Penfold asked for a review of the loan request. Mr. Butterfield said the new construction loan request is a part of the financing package compiled by the Housing Authority. He reviewed the terms of the loan with the Board and reported that the Loan Committee recommended approval.

Director Luke asked whether the loan was a part of the initial proposal by the Housing Authority. Mr. Butterfield answered no. The Housing Authority is pursuing two types of tax credit financing for this project, one of which has been approved. The RDA proposed providing this participation in the financing structure prior to their receiving approval of the second type of tax credits to allow them to begin construction on the project earlier than would be possible if they wait until they complete the process. Mr. Butterfield added that if the tax credit financing is approved, the loan would convert to a construction loan and be repaid within two years.

Director LaMalfa expressed concern with the proforma provided and the cost per unit of the proposed project. He said the cost per unit is greater than a high-end, market-rate project currently being built in downtown Salt Lake City. He felt this funding could be better utilized to provide more affordable housing units of a lower quality.

Executive Director Baxter reviewed the issues with the development of this parcel, and the economy of scale to be considered in the larger downtown project.

Chairperson Penfold asked representatives from the Housing Authority to address Director LaMalfa's concerns. Ms. Terry Feveryear, Executive Director of the Housing Authority of Salt Lake City introduced herself, Mr. Joe Post, Director of Non-Profit, and Mr. Dave Minor, Municipal Bond Consultant. Mr. Minor reviewed the proforma and estimated cost per unit, and loan terms. Ms. Feveryear commented on the very complicated financing structure required for this project.

[3:27:16 PM](#) Director LaMalfa made a motion not to adopt the resolution amending the terms of the agreement. Director Luke seconded the motion. Director LaMalfa said he feels the price per unit is too high, and that he would rather see two projects of lower quality.

Director Luke said while he wants a quality project, he is concerned with amending terms to provide a loan after a competitive bid. He felt if the loan had been a part of the initial proposal, another of the proposed projects may have been chosen. He said he is not comfortable moving forward with these changes in the terms even before ground has been broken.

Mr. Butterfield said the selection committee preferred the Housing Authority's proposal based on the consideration given to the needs and character of the neighborhood, the quality of the project, and their experience in financing, building, and managing this type of product. Director

Luke expressed concern with providing a loan to the Housing Authority when the other applicants may not have known of this opportunity. Mr. Butterfield said loan assistance from the RDA was available to any of the firms that proposed on the project.

Director Mendenhall asked whether it was unusual to see changes in terms after a bid process, and asked if doing so would set precedent. Executive Director Baxter said it is fairly common. He briefly reviewed how the RDA conducts RFPs. He said there was a period of time when very detailed proposals were required. However, such proposals require an enormous investment of those responding. In recent years, we have found that many developers are not willing to invest the time and funding required for such detailed proposals in a competitive environment. The RDA's inclination has been to back off the requirements of the RFP, and in some cases to ask for an RFQ (request for qualifications) in order to encourage a stronger response.

Executive Director Baxter felt the RDA is vigilant to the points raised by Director Luke to assure no changes are made that could have affected the selection. Director Luke said he felt RFPs should include a statement that the RDA is willing to make loans on projects.

Chairperson Penfold said he would not support the motion. He recalled this was a very competitive proposal process, and that the Board was very enthusiastic about this proposal, particularly with the design. It was a level of quality above what had been seen, particularly in lower income housing proposals. He recalled a healthy discussion about the proposals, and that the Board felt that the Housing Authority proposed a project that accommodates many of the amenities we desired for our downtown developments. He felt it would be a disservice to the Housing Authority to have shown so much enthusiasm for the direction of their proposal, and now question this design because of a loan to assist with a complicated financial package.

Chairperson Penfold said this is a very complicated financial package. In several RDA meetings the Board discussed that this body does not have the expertise and knowledge to determine the viability of complicated proposals and must rely on staff propose only solid deals. He expressed concern that the Board is straying beyond its role in picking apart the deal terms.

Chairperson Penfold felt this is a very good opportunity for development of this site, and that this has been a very lengthy process. He felt it would be a disservice to all of the residents in this community to begin this process again.

[3:36:54 PM](#) Upon roll call Chairperson Penfold declared the motion failed with Director Mendenhall, Vice Chairperson Adams and Chairperson Penfold voting nay.

Executive Director Baxter offered an alternative. He said the offer to make this loan was initiated by RDA staff in an effort to bridge the timing gap so work could begin this fall rather than in the winter after tax credits could be secured. If the loan is a concern to the Board, the project could proceed on a winter timeline, after the tax credits are secured. He asked whether the Housing Authority could move forward without the proposed loan. Ms. Feveryear answered yes. She said the Housing Authority applied for the tax credits last October, but were denied. She felt had they controlled the site, based on the point system used for tax credits, it would have been funded.

They plan to apply again this October, and have great confidence they will receive the credits and be able to repay the loan quickly.

Chairperson Penfold clarified that if the Housing Authority is successful in receiving the tax credits, the loan would revert to a construction loan that will be paid upon completion of the project. However, one of the factors in receiving the tax credits is control of the property.

[3:40:02 PM](#) Director Mendenhall made a motion to adopt the resolution approving the amended terms for the Purchase and Sale Term sheet with the Housing Authority of Salt Lake for the development of RDA owned property located at 444 South 900 East. Vice Chairperson Adams seconded the motion.

Director Mendenhall felt Director LaMalfa's concerns with the level of investment the RDA Board is willing to make for affordable housing is a policy issue. She felt if that is what is causing the lack of support for this proposal, that policy issue should be discussed. However, the discussion should not halt projects that are in process.

Director LaMalfa said he very much supports low income housing, but that for this amount of funding, two medium grade projects could be produced. He said on paper, the cost per unit appears to be excessive.

Director Luke said his opposition has to do with transparency. He felt there may have been very different proposals had other firms been aware that a \$1.7 million loan may be available for the project.

Director Rogers said the memo states only half of the units are affordable housing. Of the 68 units, only 34 units will be available to those making 60% of area median income (AMI). Mr. Butterfield clarified that 50% affordable housing was the minimum requirement set by the RDA Board in the RFP. Mr. Minor added that the project will actually be 100% affordable, with 75% of the units set to 60% of AMI and 25% of the units at 80% of AMI.

Director Rogers asked the probability of the Housing Authority receiving the tax credits. Mr. Butterfield felt it was very good. Mr. Minor stated that an application for the tax credits was made last year, but for failure of the land control, he felt they would have been awarded the credits and this project would be under construction.

Mr. Butterfield reviewed why RDA staff proposed the \$1.7 million loan for this project. As suggested by Executive Director Baxter, in the event the Board does not wish to move forward with the loan, staff would ask for an extension of the exclusive negotiation period until the Housing Authority finds whether they are approved for tax credits. Staff felt providing the loan now to allow the project to begin sooner was a better option.

Director Rogers clarified that in the event these tax credits are approved, the loan would convert to a construction loan due upon completion of construction. Chairperson Penfold answered yes. Mr. Butterfield added that this stipulation is included in the amended term sheet. Board members further discussed the terms of the purchase and sale agreement, and the proposed loan.

Chairperson Penfold called for a vote on the motion to approve the resolution amending the term sheet. Upon roll call Chairperson Penfold declared the motion approved with Directors LaMalfa and Luke voting nay.

[3:56:17 PM](#) Chairperson Penfold called for a motion on the resolution to approve the terms of the new construction loan. Director Mendenhall made a motion to adopt the resolution. Vice Chairperson Adams seconded the motion. Director LaMalfa made a friendly amendment to the motion that the interest rate be raised to 5%. This friendly amendment was not accepted by Director Mendenhall.

Director LaMalfa made a substitute motion to approve the resolution with a change in the interest rate to 5%. Director Rogers seconded the motion.

Executive Director Baxter asked that the applicant to address the affect the increased rate may have on the project. Mr. Minor said the project would not pencil with this increased rate.

Upon roll call, Chairperson Penfold declared the motion failed with Directors Mendenhall, Rogers, Luke, Vice Chairperson Adams and Chairperson Penfold voting nay.

Chairperson Penfold called for a vote on the motion to adopt the resolution. Upon roll call, Chairperson Penfold declared the motion approved and the resolution was adopted with Directors Luke and LaMalfa voting nay.

[3:59:39 PM](#) Chairperson Penfold recessed the meeting.

[4:13:36 PM](#) Chairperson Penfold reconvened the meeting.

- B. [4:13:44 PM](#) **Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving the Terms of the Purchase and Sale Agreement, Development Agreement, Special Warranty Deed, and Guaranty of Completion and Performance with Everest Builders for Parcel 4 of the Marmalade District Subdivision.**  
*Staff is seeking adoption of a resolution approving the terms for the Purchase and Sale Agreement, Development Agreement, Special Warranty Deed, and Guaranty of Completion and Performance with Everest Builders for Parcel 4 of the Marmalade District Subdivision.*

Mr. Davis stated that this is the parcel in the Marmalade Block that includes the alleyway fronting Arctic Court. The parameters of the sale terms were approved by the Board in March, 2013 as a part of the RFQ for the Marmalade Block development. He reviewed the background on the project and pointed out that the RFP terms approved by the Board contemplate a write-down of the land price in the event the developer undertakes improvements to Arctic Court.

Director LaMalfa commented on the popularity and marketability of this area, and referred to the value of the property for a project recently completed in this area. He felt the appraisal of this parcel is greatly undervalued. He questioned the return shown on the proforma, and proposed



that the Board not discount the land as indicated in the term sheet, but that the improvements and quality outlined should remain.

Mr. Davis said that the appraisal provided is based on unimproved land and that the write-down is to help fund infrastructure improvements that would not normally be required in this type of development, such as rebuilding the entire street. It will also help fund high quality materials and LEED certification in the project, as requested by the RDA.

[4:26:29 PM](#) Director LaMalfa made a motion not to approve the write-down of the property. Director Rogers seconded the motion.

Executive Director Baxter asked whether the intent was to pass the resolution with the exception of the land write-down. Director LaMalfa answered yes.

Director Mendenhall asked whether it would be appropriate to request a second appraisal. Executive Director Baxter said that he could not think of a time where that has occurred, and reviewed the steps taken by staff to assure the accuracy of appraisals.

Chairperson Penfold called for a vote on the motion to approve the resolution with the amendment that there be no write-down on the land. He said he would not support the motion.

Upon roll call Chairperson Penfold declared the motion failed with Directors Luke, Vice Chairperson Adams, and Chairperson Penfold voting nay.

[4:32:40 PM](#) Director Luke made a motion to adopt the resolution. Vice Chairperson Adams seconded the motion.

Upon roll call, Chairperson Penfold declared the motion failed with Directors LaMalfa, Mendenhall, and Rogers voting nay.

Chairperson Penfold directed staff to consider options for the deal and to return to the Board in August. Director LaMalfa suggested that another appraisal be completed. Chairperson Penfold expressed frustration with halting a deal that was so close to being completed. Director Mendenhall said she felt this was much like the previous item discussed in which terms of a deal have been changed after a bid process.

Executive Director Baxter said staff cannot proceed without further direction from the Board.

Directors LaMalfa and Mendenhall said they felt all Board members would like to see this project move forward, but that they could not support the additional write-down on the land. Executive Director Baxter said staff has worked diligently to put together a deal that is fair, including consulting directly with experts in development to assure there would be no unwarranted windfall. Staff is protective of the RDA's resources and works diligently to implement the policies set by the Board.

Chairperson Penfold said two motions have failed and it appears the Board is at a stalemate. He asked legal counsel for direction. Mr. Georgelas said from a legal perspective, RDA staff does not have the authority to enter into a contract without approval from the Board. It would be difficult to move forward with good faith negotiations without adequate direction to approach the opposing side with the knowledge we will be able to enter into an agreement with them.

Chairperson Penfold suggested that staff approach the developer to determine whether renegotiation of the terms was possible. He recommended, with the Board's approval, that staff work with the developer to determine whether eliminating the write-down of the land value is viable for them. Board members approved of this direction.

Executive Director Baxter said staff will work with the developer to put together a counter proposal and return to the Board in August.

- C. [4:39:52 PM](#) **Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving the Terms of the Purchase and Sale Agreement and Authorizing the Agency to Acquire Property Located at 524 and 528 North Arctic Court.**  
*Staff is seeking authorization to acquire real property located at 524 and 528 North Arctic Court for the purpose of enhancing the Marmalade Bock development.*

Mr. Davis described the proposed renovation of the existing home and use of the adjacent vacant property.

[4:41:23 PM](#) Vice Chairperson Adams made a motion to adopt the resolution. Director Mendenhall seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

- D. [4:41:55 PM](#) **Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving the Terms of the Request for Proposals for the Design of Three Mid-Block Connections on Block 70.**  
*The Board will consider the terms of the RFP for the design of three mid-block connections on Block 70.*

Mr. Butterfield reviewed the location of Block 70, and described the proposed RFP process to bring a recommendation to the Board for a firm to design these improvements. He said the timeline for this work coincides with the construction of the performing arts center.

Chairperson Penfold said this is the first project being done in collaboration with CED, the Arts Council, HAND, the Transportation Division, and other City departments. This has been brought about through the policy conversations held last fall, to consider how to leverage other city resources. This is the trial project for this city-wide collaboration.

Director LaMalfa commended the collaborative effort and the attention given to the direction of the Owner Requirements Document (ORD) for the performing arts center, which clearly outlines the policy goals of the Board and the vision for this project.

Director LaMalfa suggested that someone more familiar with the retail industry or possibly a future owner or management entity for Regent Street be a part of the process. He felt there was not enough emphasis on this in the development and planning of the design, and said he would like to see a greater emphasis on including non-city partners in the work.

Chairperson Penfold asked whether the existing RFP called for entities with retail expertise. Mr. Butterfield answered no. He said that could be added to the work scope, as well as defining the stakeholder and public outreach program needed. Director LaMalfa suggested that there be retail or major property owner participation.

Director LaMalfa commented on the midblock connection in context with the entire city. He suggested consideration for this design be considered further out, perhaps to include one block on either side. He felt the midblock walkway on Regent Street should give a feel that it is a part of the city wide midblock connections. Chairperson Penfold asked that the RFP reference any plans that call for midblock connections around Block 70.

[4:49:08 PM](#) Director LaMalfa made a motion to adopt the resolution with the addition of the inclusion of retail or a major property owner in the process, and consideration of other midblock walkway connections in the design. Director Rogers seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

E. [4:49:32 PM](#) **Discussion and Consideration of Amendments to RDA Loan Program Policies.**

*The RDA Board will consider a series of potential policy changes to its loan programs based on input from the Redevelopment Advisory Committee and RDA Staff.*

Deputy Director Belliveau reviewed the process to date, including input from RAC, and reviewed the six recommended amendments to the loan program policies as follows:

1. Identify Banking Advisory Resources to Support Staff in Administering Loan Requests.
2. Establish Lending Goals in Conjunction with Forming the Strategic Plan for Each Project Area.
3. Establish Goals for Tax Increment Reimbursement Program in Conjunction with Forming the Strategic Plan for Each Project Area.
4. Require a Demonstrated Funding Gap as Part of Assessing Eligibility for RDA Financing.
5. Adjust RDA Loan Terms to Reflect Market Conditions.
6. Include a Cost-Benefit Analysis to Quantify the Public Benefit Derived from Each Funding Request.

He said should the Board approve of these changes, staff will return with recommended implementation steps.

[4:55:38 PM](#) Director LaMalfa made a motion to adopt the recommendations. Director Mendenhall seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

8. Redevelopment Business/New Business.

A. [4:55:59 PM](#) **Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Authorizing an Extension of the Maturity Date of a Building Renovation Loan to Netspace Partners, LLC.**

*The Board will consider a request from Netspace Partners, LLC to extend the maturity date of its Building Renovation Loan for the property at 56 East Broadway to January 1, 2016.*

Deputy Director Belliveau reviewed the background on the extension request. He added that in 2011, the RDA adopted a loan extension policy anticipating such requests.

This loan matured in February 2014. The borrower approached the RDA with this request well in advance of the maturity date, and staff has been working with legal counsel to finalize terms that will be acceptable to all parties as well as be commensurate to the terms of the RDA extension policy. He added that a major tenant recently left the building unexpectedly. This has caused cash flow issues and will require major renovations of the structure to allow the owner to remarket the space.

He outlined the proposed terms, and stated that the Loan Committee has reviewed the proposal and recommended approval.

Director LaMalfa asked whether the loan had been called in February, and whether the payments are current. Deputy Director Belliveau reviewed efforts to date in working with the borrower administratively to finalize terms acceptable to the RDA and the other lender. During this time, regular loan payments have been made.

Director LaMalfa asked whether staff would normally work administratively on a loan that is at risk rather than call the note. Executive Director Baxter answered yes. He said the objective is to protect the RDA's ability to collect the loan. The property is heavily entangled with another lender, so staff and legal counsel had to be cautious to assure our ability to collect was protected.

Director LaMalfa asked, as a question of policy, whether Board members should be notified when a loan is at risk. Chairperson Penfold said he was notified of the situation. These negotiations have been sensitive and complicated. He directed staff to move forward with an attempt to negotiate terms to refinance rather than calling the note.

Director LaMalfa asked whether this issue could have been brought before the Board in a closed session as a pending litigation item. Mr. Georgelas answered it could have, depending on how certain litigation appeared to be. Director LaMalfa suggested that as an option in the future.

[5:03:26 PM](#) Director LaMalfa made a motion to adopt the resolution. Director Mendenhall seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

- B. [5:03:47 PM](#) **Consideration and Approval of the Mayor's Recommendation for Three People to Serve as Salt Lake City's Representatives on the RFP and Developer Selection Committee for the Convention Headquarters Hotel.**  
*The Board of Directors will review and approve Mayor Becker's recommendation of three staff members to serve on the Request for Proposals and developer selection committees for a Convention Headquarters Hotel.*

Executive Director Baxter said Mayor Becker has recommended Eric Shaw, Director of Salt Lake City Community and Economic Development, Stuart Clason, Director of Salt Lake City Economic Development, and himself to represent Salt Lake City on this selection committee.

[5:04:43 PM](#) Vice Chairperson Adams made a motion to approve the recommendation. Director Rogers seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

6. Consent.

- A. [5:05:09 PM](#) **Adoption Of A Resolution Of The Board Of Directors Of The Redevelopment Agency Of Salt Lake City Approving The Grant Agreement Between The Salt Lake City Housing Trust Fund And The Redevelopment Agency Of Salt Lake City.**  
*The Board will consider a Grant Agreement between the RDA and Salt Lake City Housing Trust Fund to allocate \$124,350 from the Agency's City-Wide Housing Fund and \$230,175.38 in loan repayments to the Housing Trust Fund to support the financing of affordable housing projects.*

[5:05:27 PM](#) Director LaMalfa made a motion to adopt the consent item. Director Mendenhall seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

7. Written Briefings.  
None.

8. Closed Meeting.

- A. **Consider Adopting a Motion to Enter into a Closed Meeting in Keeping with Utah Code to Discuss Pending Litigation and/or the Acquisition/Disposition of Real Property and/or Attorney-Client Matters that are Privileged Pursuant to Utah Code Ann. § 78b-1-137(2).**

[5:05:43 PM](#) Chairperson Penfold pulled this item from the agenda.

9. [5:05:47 PM](#) Adjournment.

There being no further business Chairperson Penfold declared the meeting adjourned.

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Stan Penfold, Chairperson

This document along with the digital recording constitute the official minutes of the Redevelopment Agency of Salt Lake City Board of Directors meeting held June 10, 2014.