



## CITY OF NORTH SALT LAKE COMMUNITY & ECONOMIC DEVELOPMENT

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### MEMORANDUM

**TO:** Honorable Mayor and City Council

**FROM:** Sherrie Pace, Community Development Director

**DATE:** November 6, 2024

**SUBJECT:** Consideration of a proposed amendment to the Development Agreement for Towne Plaza at North Salt Lake related to Phase 3 to be known as Lofts North Salt Lake at 120 & 140 East Center Street

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#### **RECOMMENDATION**

City Staff recommends to the City Council approve the amended development agreement with the following findings:

Findings:

1. The proposed agreement is in accordance with the North Salt Lake Town Center Master Plan;
2. The proposed agreement is in accordance with the conditions of approval for General Development Plan which was amended on December 6, 2023;
3. The proposed development will provide market rate affordable housing units for persons at or below 80% AMI; and
4. The proposed development includes ground level retail space with proposed land uses that are supported by the Town Center Market Study;

#### **BACKGROUND**

The City Council entered into a development agreement with David Curtis and National Commercial Properties on June 16, 2015 for the Towne Plaza project located at 130 East Center Street. The General Development Plan for the project included 52 townhomes and 2 commercial office/retail buildings (2 stories). The east building would be 2 stories containing 22,000 sq. ft. of office space. The west building would be 2 stories with 8,300 sq. ft. of commercial/retail on the main level and 8,300 sq. ft. of office space on the second level. The construction of the townhomes has been completed.

***Existing Development Agreement:***

The 2015 development agreement had the purpose of implementing the urban design elements contained in the Town Center Master Plan to create a walkable town center with urban type residential development near the center. A partnership between the City, the RDA, and the developer established the street cross section for 130 East and Center St. to install redesigned street and pedestrian improvements. The reduced street width was specifically designed to discourage the use of 130 East as a through street and instead create a pedestrian friendly street that was to be utilized for the residential access to the townhomes and the commercial buildings. Exhibit F of the development agreement contains an excerpt from the Town master Plan which details the following principles:

- A mix of residential and commercial uses that support walking and creation of “destination” within the Town Center

- A more traditional feel with sense of history and timelessness
- On street parallel parking
- 15' sidewalk with 10' adjacent to the buildings for pedestrian activities and 5' adjacent to the curb with stamped concrete, streetlights, street trees with grates, seating, planter boxes, etc.

As part of the approval of the original Development Agreement and 1<sup>st</sup> Amendment to the development agreement, the City agreed to participate financially in the redevelopment of the Orchard Lanes site for residential, retail and office development. As part of Phase 1 & 2, the City reconstructed 130 East and added public amenities to the right of way, some of them improvements to be reimbursed by the developer. The agreement estimated those improvements at \$42,596 with the actual cost of \$41,486. The previous developer, Dave Curtis has been invoiced for those costs but has not yet remitted payment. If Mr. Curtis fails to submit payment, this amount will be deducted from the city reimbursement for improvements in Phase 3 installed by the new developer.

The current development agreement, which included the construction of 2 office buildings and ground floor retail in the west building estimated the costs associated with the agreed improvements for which the City would be responsible:

Improvement	Quantity	Estimated Unit Cost (2018)	Estimated Total Cost	Original Agr. Not to Exceed
Installation of Street Tree Grates (City Logo)	14	\$150	\$2,100	
Planter Boxes & Installation	9	\$1,308	\$11,772	\$13,300
Sidewalk in excess of standard 5' within the r.o.w.	1,161 sq. ft. (total 4,251 sq. ft.)	\$4.25/sq. ft.	\$5,515	
Stamped and colored concrete in park strip	1,657 sq. ft. (total 2,079 sq. ft.)	\$8.75/sq. ft.	\$14,500	\$14,500
Replacement curb and gutter on Center St.	331 lineal feet	\$25/lineal foot	\$8,275	
Installation of irrigation for streetlight hanging baskets for 14 streetlights	Pull Boxes (14) 1/2" Poly (14)	\$250 \$650	\$3,500 \$9,100	
Purchase of Street Tree Grates (powder coated)	14	\$1,271 (\$1,875)	\$17,794 (\$26,957)	
Street Light Base (city logo) & Assembly	9	\$3,090	\$29,781	
		Subtotal	\$102,281 (\$111,444)	

## REVIEW

The estimates within the existing development agreement were made in 2018 and many of those items have increased significantly. In addition, the City has requested some changes which impact the costs associated. Those items include:

- Increased sidewalk width to accommodate off street bike lane
- Increased width of ADA ramps to accommodate bike lane

- Replacement of street tree grates on Center Street in favor of planter boxes resulting in a reduction of grates from 14 to 5, and an increase of planter boxes from 9 to 12
- One additional streetlight at the eastern border of the project

The following table outlines the proposed participation contained within the draft development agreement for consideration:

Improvement	Quantity	Estimated Unit Cost (2018)	Estimated Total Cost	Recommended City Participation	Increase (Decrease)
Installation of Street Tree Grates (City Logo)	5 (org. 14)	\$146	\$730	\$730	(\$1,370)
Planter Boxes & Installation	12 (org. 9=\$13,300)	\$4,500	\$54,000	\$13,300 +\$1,370 +\$10,357 +?	
Sidewalk in excess of standard 5' within the r.o.w.	3,326 sq. ft. (org. 1,161) (total 6,369 sq. ft.)	\$7.50/sq. ft.	\$5,515	\$24,945	\$19,430
Stamped and colored concrete in park strip	725 sq. ft. (org 1,657) (total 2,107 sq. ft.)	\$20/sq. ft.	\$42,140	\$14,500	0
Replacement curb and gutter on Center St.	331 lineal feet (total 511)	\$32/lineal foot	\$16,352	\$10,592	\$2,317
Installation of irrigation for streetlight hanging baskets for 14 streetlights	Pull Boxes (10) 1/2" Poly (14)	\$250 \$650	\$2,500 \$9,100	\$2,500 \$9,100	(\$1,000) 0
Increased width ADA Ramps	2		\$400	\$400	\$400
Bike Lane curbing	23 feet		\$598	\$598	\$598
<b>Subtotal</b>			<b>\$131,335</b>	<b>\$90,322</b> \$88,392	<b>\$35,560</b> \$21,745
Purchase of Street Tree Grates	(org. 14=\$26,957) 5	\$1,875 \$3,332	\$9,375 \$16,660	\$9,375 <\$16,660	(\$8,419) (\$10,357)
Street Light Base (city logo) & Assembly	10 (org. 9)	\$3,090 \$5,339 \$4,563	\$29,781 \$53,390 \$45,632	\$29,781 \$53,390 \$45,632	\$23,609 \$15,851
<b>Subtotal</b>			<b>\$62,292</b>	<b>\$62,232</b>	<b>\$15,851</b>
<b>Total</b>			<b>\$194,100</b>	<b>\$151,559</b> \$150,624	<b>\$50,750</b> \$43,522
<b>Phase 1 &amp; 2 Improvement Reimbursement</b>				<b>(\$41,486)</b>	
<b>Total Phase 3 Final</b>				<b>\$111,601</b> \$109,138	

Notable considerations:

- The estimated cost of the planter boxes has increased considerably from \$1,308 to \$4,500. Staff recommends exploring alternative options to find a more affordable method or size of planter boxes.
- The number of street tree grates has decreased by 9 and the number of planter boxes has increased by 3, therefore staff is recommending that the city participation be

Original max	\$13,300
Plus tree planting savings	\$1,370
Plus tree grate savings (from 2018 price)	\$10,357
Plus additional savings for tree grate alternative	?

~~increased by 3 x the original estimate (3x\$1308) \$3,924 and that the savings from the reduction in street tree grates of \$9,733 to be added to the current agreement not to exceed \$13,300 for a total participation on the planter boxes to no more than \$26,957 and request that the developer and staff find a planter box solution within that amount.~~

- The increase in sidewalk cost relates directly to the increase in materials cost and the expansion which added the bike lane to the sidewalk profile.
- The City will only pay for the original curb and gutter to be replaced of 331 lineal feet and not the increase resulting from the installation of on street parking.
- The cost of the tree grates and street light assembly from our supplier (Mountain States Lighting) has increased significantly in the past 6 years

The proposed development agreement includes amendments to the exhibits related to land uses associated with the retail included in the west building.

**POSSIBLE MOTION**

I move that the City Council approve the amended development agreement for Lofts North Salt Lake with the following findings:

Findings:

1. The proposed agreement is in accordance with the North Salt Lake Town Center Master Plan;
2. The proposed agreement is in accordance with the conditions of approval for General Development Plan which was amended on December 6, 2023;
3. The proposed development will provide market rate affordable housing units for persons at or below 80% AMI; and
4. The proposed development includes ground level retail space with proposed land uses that are supported by the Town Center Market Study.

Attachments

- 1) Draft Development Agreement
- 2) Draft Amended Development Agreement Exhibits