

Housing and Transit Reinvestment Zone Committee
Salt Lake City – SL Central Proposal FOLLOW-UP Meeting
Virtual Meeting

May 1, 2025 • 2:00 PM – 3:30 PM

Minutes

Committee Members Attending: Senator Wayne Harper, Senator Kirk Cullimore, Representative Jim Dunnigan, Chairman Ryan Starks (GOEO), Danny Walz (SLC), Jim Evans (Transportation Commission), Beth Holbrook (UTA Board of Trustees), Kersten Swinyard (SL County), Alan Kearsley (SLCSD), Ashley Anderson (SLCSD), Noah Baskett (City Library)

Committee Members Excused: Representative Stephen Whyte, Kirt Slaugh (State Treasurer's Office)

GOEO Staff Attending: Jim Grover, Allison James-Garcia

Guests Attending: Susie Becker (ZPFI), Elliott Clark (AG's Office), Jason Gardner (Utah Tax Commission)

SL County representatives: Chris Stavros (Assessor), Tyler Andrus (Assessor's Office)

SLC representatives: Cara Lindsley, Marcus Lee, Kate Werrett, Ashley Ogden, Blake Thomas

MPO representatives: Andrew Gruber (WFRC)

Other guests: Deven Osborne (U of U student), Tony Semerad (SL Tribune), Ben Lowe (Lowe Property Group), Brandon Blaser (Blaser Ventures), Gretchen Milliken (Blaser Ventures)

1. Welcome

Mr. Ryan Starks of the Governor's Office of Economic Opportunity welcomed all to the HTRZ meeting. This meeting is occurring because the City of Salt Lake submitted an application for the creation of an HTRZ and the committee asked for additional clarifications at the previous committee meeting on January 13, 2025.

2. Oath of Office

No oaths of office were completed during this meeting due to it being virtual and all committee members have previously been sworn in.

Ryan Starks, Jim Evans, Senator Wayne Harper, Senator Kirk Cullimore, Representative Jim Dunnigan, Beth Holbrook, Kersten Swinyard, Alan Kearsley,

Ashley Anderson, and Noah Baskett all performed their oath of office at an earlier date.

3. Approval of Minutes

The minutes from the last HTRZ Committee (CCRZ proposal), which took place on April 4, 2025, were approved. The motion to approve was made by Mr. Jim Evans and seconded by Senator Kirk Cullimore.

4. Overview of Addendum

Ms. Cara Lindsley, Deputy Director of the SLCCRA, provided a review of the HTRZ site and the alignment of the HTRZ objectives with this HTRZ proposal. Ms. Lindsley reiterated that this site is the most transit rich site in the state with UTA buses, Frontrunner, Trax, Amtrak, and Greyhound. She also highlighted the recent study that recommends the expansion of Trax from this station up to the University of Utah and into the Granary district.

Ms. Lindsley went into detail about the requested information. For property tax, SLC presented two phases (base years 2025 and 2028) over a 28 year collection period with 80% tax increment estimated at \$550,108,120. Ms. Lindsley provided insights into the Market rate proforma vs. the HTRZ enhanced proforma for each of the two phases.

Ms. Lindsley provided an overview of the proposed uses of the tax increment (horizontal and enhanced vertical construction costs, income-targeted housing costs, structured parking and property acquisition) and the projected impact of these funds, including affordable housing and increase in assessed value.

Ms. Lindsley provided a summary of the financial metrics and tax increment request, including the estimated total gap is over \$2 billion dollars (this estimate includes the enhanced development costs).

5. Review of Zions Public Finance Gap Analysis of Addendum

Ms. Susie Becker presented her review and analysis for this project. She reviewed the modifications to the previous application, mainly more information provided regarding phasing, enhanced vertical construction and costs. Ms. Becker reviewed how they identify the gap (market vs. enhanced, and the amount needed to make the project comparable for a developer) and reiterated that the analysis does not consider overcoming current market conditions, i.e., office market.

Ms. Becket went over the assumptions, limitations of the analysis, and costs that did not change between the original and addendum. Vertical construction costs

account for the remaining $\frac{2}{3}$ of the costs. The total gap differs between the proposal vs. the gap analysis:

- Proposal = \$2.5 billion
- Gap analysis = \$1.38 billion - \$1.43 billion

The gap analysis differs from the proposal on the vertical or enhanced construction costs (\$965 million vs. \$2.2 billion) and Ms. Becker went over in detail how ZPFI calculated the gap between the market vs. enhanced scenarios. Ms. Becker believes that one reason the numbers are different is the number of housing units differ between market and enhanced but the proposal did not account for that.

6. Deliberation

Senator Kirk Cullimore, Rep. Dunnigan, and Senator Harper had questions and concerns regarding the amount estimated for enhancements, particularly streetscape and public area improvements. Ms. Lindsley acknowledged the different ways this can be calculated and reviewed the methodology with the committee.

Mr. Alan Kearsley and Ms Ashley Anderson brought up the education considerations that were brought up in the first meeting, including the hazardous routes from the HTRZ to nearby elementary schools. Ms. Ashley Anderson reiterated from the last meeting that all of the routes to the schools are considered hazardous and additional transportation options would need to be considered. She inquired about a redress for transportation from this area. Ms. Beth Holbrook provided an overview of the support UTA provides to the SLCS students and how UTA is looking for additional connectivity in this area. Ms. Anderson responded that while these supports are appreciated by the school district, they do not pertain to this situation because the school district is required to provide alternative transportation for hazardous routes such as I-15.

Rep. Dunnigan had a question regarding subsidies for commercial and office space for this project. Ms. Werrett went over the costs with commercial and office space, particularly the infrastructure improvements, particularly utility, parking structures, and elevator considerations.

After Ms. Becker's presentation, Senator Cullimore asked why some of the streetscape and Green Loop estimates are included in the gap analysis. Ms. Becker indicated that she included those estimates as they were included by the city in the proposal. Ms. Ashley Ogden from SLC CRA addressed this concern indicating the legislation does outline allowable uses for the increment which includes

streetscape upgrades. She acknowledged that the value of these costs is difficult to quantify but they do support the overarching HTRZ objectives.

Discussion moved to whether to keep in all of the uses outlined in the proposal. Mr. Marcus Lee reiterated the extensive amount of infrastructure work that is needed in the HTRZ area, which would be cost prohibitive for most developers. Senator Cullimore wanted to make sure that the committee was really looking at what the HTRZ funds would be used for and indicated that other tools (RDA or CRA) might be a better use for some of the infrastructure and beautification costs. Senator Harper clarifies that while all the suggested costs do follow under statute as allowable, the committee is looking at the priority of use for those funds.

Mr. Danny Walz addressed the concerns from the SLCSO about transportation and that a conversation could be had for the city to offset some of those funds.

Motion: Approve the 80% property tax increment with a cap of \$550 million, with the fund use limited to parking, infrastructure and utility upgrades, affordable housing and residential enhanced construction costs.

Motion was made by Mr. Danny Walz.

Substitute Motion: The Housing and Transit Reinvestment Zone Committee approves the project, as presented to the committee, located within 1/2 mile of the Salt Lake Central Station, or Intermodal Hub, with the following conditions:

- Duration of 25 consecutive years per phase over a 45-year period, 2 phases total;
- Maximum capture of 80% property tax increment, and 15% sales and use tax increment;
- Phase 1 will have a 2025 base year value and a 2026 commencement of property tax increment collection;
- Phase 2 will have a 2028 base year value and a 2029 commencement of property tax increment collection;
- Within the sales and use tax area boundary, the sales and use tax increment collection will have one phase with a 2027 base year value and a 2028 increment collection commencement;
- Requirements of 9% of affordable housing of less than or equal to 80% of AMI and 3% of affordable housing of less than or equal to 60% of AMI
- Fund use limited to parking, affordable housing, enhanced residential development costs, infrastructure improvements (streetscape and utility

improvements)

- Capped at \$370 million

Substitute Motion was made by Senator Cullimore and seconded by Rep. Jim Dunnigan.

The motion passed unanimously with 10 yeas. Noah Baskett did not vote as he left the meeting early.

7. Adjourn