

ZELLERBACH PROPERTY, LLC

PROJECT DESCRIPTION

January 9, 2015

TO:

Mayor Cherie Wood
220 East Morris Ave.
2nd Floor
South Salt Lake City, UT 84115

South Salt Lake City Council
220 East Morris Ave.
2nd Floor
South Salt Lake City, UT 84115

FROM:

Zellerbach Property, LLC
2716 Ocean Park Blvd. Suite 2025
Santa Monica, CA 90405

Subject:

2255 South 300 East a Mixed-Use Community

Dear Mayor Wood and Honorable Members of Council:

The intent of this document is to provide all members of the Council and the Mayor with a comprehensive understanding of the details and complexities related to the proposed development at the former Zellerbach Paper Company warehouse site located at 2255 South 300 East in South Salt Lake City. The document and attached project renderings are intended to facilitate a productive work session on January 14, 2015 with the ultimate goal of producing a positive outcome for South Salt Lake City, the residents of the city and the property owner.

Project Location and Planning

Zellerbach Property, LLC owns the property located at 2255 South 300 East in South Salt Lake City. The property is situated between 300 East and 400 East with the S-Car line right-of-way serving as the property's northern boundary and Haven Avenue serving as the property's southern boundary. The property currently consists of a 106,000 SF vacant industrial building on 4.79 acres of land across two parcels.

In February 2014, prior to the acquisition of the site, current ownership began discussions with Frank Lilly and other members of the South Salt Lake City Planning Staff regarding the rezoning of the property, which was located within a redevelopment area in the City and had been subject to a City-led master plan

rezoning process. At that time, Planning Staff was preparing documentation to re-zone of the property. The intent of the re-zone was to promote development along the S-Car line by allowing high density mixed-use development along the public transit corridor.

In order to commence development prior to the codification of the re-zone, the property owner sent a draft Development Agreement to Planning Staff in May of 2014. The draft agreement was intended to cover all aspects of the proposed development and outline conditions for any municipal participation (e.g. tax incentives and other financial vehicles). Upon receipt of the draft agreement, however, the South Salt Lake City's Deputy Attorney and Planning Staff rejected the original concept of utilizing a development agreement. Instead, Planning Staff suggested the property owner either submit a development proposal in accordance with the MPMU ordinance or delay until the new FBC Zoning was codified.

Based on feedback from the Planning Staff, in June 2014, ownership elected to delay submission of a development proposal and instead elected to seek approval following the adoption of the new code, imposed on the property in September 2014.

Transit Oriented Mixed-Use

The design concept for the project originated from discussions with (i) South Salt Lake Planning Staff, (ii) work sessions with South Salt Lake Police and Fire Department officials and (iii) feed-back provided by South Salt Lake from adjacent neighbors through the public meeting process. Three main challenges emerged from these discussions which influenced the project's design. First, based on community feedback, it was imperative that the project buffer Haven Avenue from high density residential and commercial opportunities. Second, based on feedback from Planning Staff, the project was to appropriately activate and engage the S-Car line corridor. Third, based on feedback from South Salt Lake Police and Fire officials, the project was to comply with Fire and Safety regulation and ensure that all emergency service vehicles had adequate access to the development.

The proposed development uses the concept of stepped height transitions from south to north to appropriately buffer the lower intensity single family use on Haven Avenue from the higher intensity use of commercial and multi-family units on the S-Car right-of-way. The mix of uses include 10 Live Work Units, 18 Town Homes, 10 Urban Flats, 180 Apartments, a multi-story parking structure and divisible large ground level retail area. In total, the development will exceed 400,000 square feet of buildable area, cost in excess of \$45 million to construct and provide an annual increase in project area tax revenue of approximately \$400,000.

Site Layout

The southern portion of the development has a two lane roadway and landscape buffer that provides an attractive set back from the backyards of the south facing homes on Haven Avenue. The road was originally intended to be a single-lane, running west to east. The lane was widened to two lanes due to feedback from the Fire Department Planning Staff as well as for marketability purposes. The additional lane allows for large apparatus fire department access at the rear and middle of the site and will drastically reduce non-resident vehicular traffic on Haven Avenue.

Just north of the two lane roadway at the southernmost portion of the site will be a combination of two story town-homes and single story flats, accentuated with open space landscaping. Continuing north, the density and height gradually increase. The northernmost portion of the site features live-work units, street level retail and various recreational amenities for the tenants. Ownership requires a single lane road running west to east, adjacent to the right-of-way. This roadway will provide access to residents and business owners, while also allowing Fire and Police departments' access to patrol and provide emergency services. A pedestrian walk-way and landscaping details will also be installed along-side the roadway to ensure that pedestrians and vehicles can coexist in the programmed area. Furthermore, there will be no vehicular entrance into the project on this roadway which will limit its use. The building situated on the westerly portion of the site will include one and two bedroom apartments over street facing retail. Parking for the site will include a mix of covered and uncovered ground level stalls and a multi-story parking garage that will be screened and situated centrally on the northern portion of the site.

Development Agreement

The East Street Car Form Based Code was adopted in September 2014. As of today, Zellerbach Property, LLC is the first property owner in South Salt Lake City to undertake a large scale project that will be designed and built under the new Form Based Code guidelines. After our initial architectural study and preliminary site programming, some exceptions to the code are needed in order for the project to integrate into the corridor, function seamlessly and become a reality.

Under the newly implemented Form Based Code exceptions are to be given by the City Council through the approval of a development agreement. South Salt Lake's Deputy City Attorney and the property owner's counsel have collaborated in preparing a development agreement that addresses the exceptions necessary to allow the development as envisioned by Zellerbach Property, LLC. The following exceptions are requested from City Council in the Development Agreement as presented.

First, the current code allows for a fifty foot height maximum with an additional 10% that may be granted by the Land-Use authority in its discretion with the total height maximum of 55 feet. However, the code also mandates that the minimum first floor clearance must be 14 feet and the minimum unit ceiling height must be 9 feet, because the project exceeds 150 units. The height requirement does not take into account the interstitial space between floors that contain structural, mechanical and electrical systems nor a parapet that screens roof top equipment. Usually the interstitial space ranges between 12" to 18" in depth and parapets range between 24" to 60" in height. Ownership seeks a height exception to allow a sixty foot height maximum for the building located on the north portion of the site. Sixty feet is the minimum necessary to create a 14' ground level and four upper levels at 9' feet inclusive of the interstitial space and a parapet.

Secondly, the current code does not allow for utility infrastructure to be placed on frontages or adjacent to the street car corridor. However, the code also mandates that our frontage be oriented toward the street car line. The proposed development currently has over 700 linear feet of frontage facing the street car corridor and will have utility infrastructure in the ground such as electrical conduits, storm sewers, gas lines and other appurtenances. Furthermore, above ground infrastructure such as drain grates, gutters and manhole covers will be present. Ownership seeks an exception to the Form Based Code to allow basic utility infrastructure to be installed underground and above ground in front of the building.

Finally, the current code does not allow for vehicular access within 75' feet of the S-car line and does not allow a drive lane to be counted against the minimum set-back requirement. The code, however, requires the building's frontage (front door), which extends over 700 lineal feet from west to east, to face the S-car line. As previously mentioned, ownership has had multiple discussions with the Police and Fire Department officials. South Salt Lake Police opined that more activity meant more eyes on the corridor, which would reduce the probability that a crime would occur. Also, SSL Police thought the most functional way to patrol such a long stretch of frontage would be by car. South Salt Lake Fire needed vehicular access for large fire apparatus access to provide proper firefighting coverage and emergency response access. A vehicular drive lane would support both the police and fire requests. Notwithstanding the aforementioned, the only way to warrant a high level of functionality and success for the live-work units and a required level of civility for our residents is to provide vehicular access to the frontage of the property. The exception we are requesting would safeguard vehicular access to the front doors located on the north frontage of the project and would properly activate the S-Car line corridor with pedestrian and vehicular activity. The lane will be constructed in different color and texture concrete with a raised portion of the road (mini Plaza) that will act as a speed reducer, a gathering area for special events as well as drop off and pick up area for the residents. Within this lane we are anticipating a bicycle lane that will interface with the slow moving vehicular access.

Project Timing

Zellerbach Property, LLC is prepared to commence construction upon the approval of the Development Agreement and subsequent approvals by the Land Use Authority. The first phase of construction would entail demolition of the existing structure, installation of on-site utilities, upgrades to certain off-site utilities, partial hardscape installation and footing and foundation work. The first phase is set to be complete, barring any additional City required processes or other jurisdictional required approvals, by November 2015. After completion of the first phase, the remaining vertical construction is estimated to take 24 months. The completion date is currently expected to be on or around first quarter 2018.

Moving Ahead

We sincerely appreciate the consideration of our request to modify certain areas of the current code with a Development Agreement to accommodate our proposed transit-oriented community. Our intent is to provide South Salt Lake with an innovative community that will allow the current lifestyle and business standards within the City to evolve and provide long-term tax benefits to secure South Salt Lake's future growth and cement its place as Utah's most desirable City.

Sincerely,
Zellerbach Property, LLC

PROPOSED DRAFT DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT FOR THE ZELLERBACH PROJECT

CITY OF SOUTH SALT LAKE, UTAH

This Development Agreement (“Agreement”) is made and entered into as of this _____ day of _____, 2014, by and between **Zellerbach Property, LLC**, a Delaware limited liability company (“ZB”), and **City of South Salt Lake**, a municipality and political subdivision of the State of Utah (the “City”).

RECITALS:

A. ZB is the owner of approximately 4.79 acres of property located between 300 and 400 East and north of Haven Avenue in South Salt Lake, Salt Lake County, Utah, as more particularly described in Exhibit A which is attached hereto and by this reference made a part hereof (the “Property”), on which it proposes the development of a mixed use, transit oriented development illustrated on the site plan attached hereto as Exhibit B, and by this reference made a part hereof (the “Project”).

B. The Property has recently been re-zoned under the East Streetcar Neighborhood Form-Based Code (the “Code”), enacted by the City in September of 2014, and is subject to the terms thereof, except as provided herein. Certain aspects of the Project as currently designed, conflict with parts of the Code and therefore these conflicts need to be addressed and resolved.

C. §10.3.4 of the Code specifically contemplates use of a Development Agreement to modify Code requirements, and ZB is willing to design the Project and enter into this Agreement in order to address those modifications as more fully set forth below.

D. The City Council of the City of South Salt Lake, acting pursuant to its authority under Utah Code Ann. §§ 10-9a-101, *et seq.* its land use regulations and §10.3.4 of the Code, has made certain determinations with respect to the proposed Project and has elected to conditionally approve this Development Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ZB and the City hereby agree to as follows:

1. **Development Agreement Subject to Project Approval by Land Use Authority.** This Development Agreement is contingent upon and will only become effective at such time, and in the event that, the City of South Salt Lake Planning Commission, acting in its capacity as land use authority under the Code, and in the independent exercise of its administrative duties, reviews and approves the ZB Conditional Use Application and the Applications for Concept and Site Plan Approval, following all necessary public hearings. If approved, the approval by the Planning Commission shall be subject to the provisions of paragraph 3 of this Development Agreement.

2. **Property Affected by this Agreement.** The legal description of the Property contained within the Project boundaries to which this Agreement applies is attached and specifically described in Exhibit A.

3. **Project Code Conflict Approvals.** Subject to and upon final approval of the Project by the South Salt Lake Planning Commission, ZB shall have the vested right to develop the Project. .Notwithstanding the provisions of the Code, the following zoning provisions shall apply to ZB as for the duration of this Agreement:

- a) The overall building height of those buildings abutting the S-Line Corridor as currently limited by §5.3.2(2) and §3.1.2, is hereby raised to 60' without any further provision for minor modifications of height; moreover, four stories of residential use above first floor commercial is hereby allowed;
- b) Notwithstanding the limitations of Code §4.1.3(2) and the adjacent Table, which preclude utility and infrastructure on street frontages and the S-Line corridor, placement of utilities and infrastructure in the Project as designed and reflected in Exhibit B, is hereby approved and allowed;
- c) A one way Lane on the North side of the Project and a two-way Lane on the South side of the Project per Code§2.4 is hereby approved for use as depicted on Exhibit B, notwithstanding Code §5.3.2(1) providing that no vehicular access be allowed within 75' of the S-Car Line and Code §Table 2.4 (1) providing vehicle Lanes must be one way and no more than 12'. The width of the one way Lane and its related amenities can be counted against the minimum setback required by Code §5.3.2(1).

In consideration of the approval by City of the foregoing exceptions, ZB agrees to landscape the S-Line corridor where it abuts the Project, provide decorative concrete at the Project/corridor interface and on the north lane, design and construct the north lane as a *woonerf* to buffer impact and transition to the S-Line corridor and provide a commercial art amenity at the corner of 300 east and the S-Line corridor. The foregoing are in addition to those amenities required by Table 5.12 (1) of the Code.

4. **Reserved Legislative Powers.** ZB acknowledges that the City is restricted in its authority to limit its police powers by contract and the limitations, reservations and exceptions set forth herein are intended to reserve to the City all of its police power that cannot be so limited. Notwithstanding the retained power of the City to enact such legislation under the police powers, such legislation shall only be applied to modify the vested rights of ZB as referenced in Section 3 above under the terms of this Agreement based upon policies, facts and circumstances meeting the compelling, countervailing public interest exception to the vested rights doctrine in the State of Utah as set forth Utah Code Ann. § 10-9a-509. Any such proposed change affecting the vested rights of the Project shall be of general application to all

development activity within the City; and unless in good faith the City declares an emergency, ZB shall be entitled to prior written notice and an opportunity to be heard with respect to any such proposed change and its applicability to the Project under the compelling, countervailing public interest exception to the vested rights doctrine.

5. **Minor Subdivision, Conditional Use, Concept and Final Site Plan/Plat Approval and Compliance with City Development Standards.** ZB expressly acknowledges and agrees that, except as expressly approved herein by the City Council, nothing in this Agreement shall be deemed to relieve it and the Project from the obligation to comply with all of the requirements of City necessary for approval of Minor Subdivision, Conditional Uses, the Concept Plan and Final Site Plan, including the payment of fees and compliance with all other applicable land use regulations of the City.

6. **No Joint Venture, Partnership or Third-Party Rights.** This Development Agreement does not create any joint venture, partnership, undertaking or business arrangement between the parties hereto, and does not create any rights or benefits to third parties.

7. **Agreement to Run with the Land.** This Agreement shall be recorded against the Property as described in Exhibit A hereto and shall be deemed to run with the land and shall be binding on all successors and assigns of ZB in the ownership and development of any portion of the Project.

8. **Assignment.** Neither this Development Agreement nor any of the provisions hereof can be assigned to any other party, individual or entity without assigning the rights as well as the responsibilities under this Development Agreement and without the prior written consent of City, which review is intended to assure the financial capability of any assignee. Such consent shall not be unreasonably withheld. This requirement shall not apply to the sale of approved and platted lots or condominiums within any phase of the Project.

9. **Integration.** This Development Agreement contains the entire Agreement with respect to the subject matter hereof and integrates all prior conversations, discussions or understandings of whatever kind or nature and may only be modified by a subsequent writing duly executed by the parties hereto.

10. **Severability.** If any part or provision of the Agreement shall be adjudged unconstitutional, invalid or unenforceable by a court of competent jurisdiction, then such a decision shall not affect any other part or provision of this Agreement except that specific part or provision determined to be unconstitutional, invalid or unenforceable. If any condition, covenant or other provision of this Agreement shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

11. **Notices.**

Any notices, requests and demands required or desired to be given hereunder shall be in writing and shall be served personally upon the party for whom intended, or if mailed, be by certified mail, return receipt requested, postage prepaid, to such party at its address shown below.

To Developer:

RH Brokerage Services, Inc..
PO Box 526148
Salt Lake City, UT 84152

With Copies to:

Watt Investment Partners
c/o Jennifer McElyea, Managing Dir.
2716 Ocean Park Blvd. #2025
Santa Monica, CA 90405

Westport Capital Partners
c/o Eric Clapp, Managing Dir.
2121 Rosecrans Ave., Suite 4325
El Segundo, CA 90245

To the City:

City of South Salt Lake
Attention: Paul Roberts, Asst. City Atty.
220 East Morris Ave.
Suite 200
South Salt Lake, Utah 84115

Any party may change its address or notice by giving written notice to the other party in accordance with the provisions of this section.

12. **General Terms and Conditions.**

12.1. Term of Agreement. The term of this Agreement shall be for a period of three (3) years or until fulfillment of the obligations of the parties unless earlier terminated or modified by a written amendment agreed to and approved by the parties.

12.2. Default. If either ZB or the City fails to perform their respective obligations under the terms of this Agreement, the party believing that a default has

occurred shall provide written notice to the other party specifically identifying the claimed event of default and the applicable provisions of this Agreement that is claimed to be in default. The parties shall meet and confer in an attempt to resolve the default but, in the event they are not able to do so, the parties shall have the rights and remedies available at law and in equity, including injunctive relief and specific performance, but not damages.

12.3. Non-liability of City Officials or Employees. No officer, representative, agent, or employee of the City shall be personally liable to ZB or any successor-in-interest or assignee of ZB, in the event of any default or breach by the City or for any amount which may become due, ZB, or its successors or assignee, for any obligation arising out of the terms of this Agreement.

12.4. Governing Law. This Agreement and the performance hereunder shall be governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective duly authorized representatives as of the day and year first written above.

ZELLERBACH PROPERTY LLC

By: SLD Venture LLC, Managing Member
By: Westport Capital Partners LLC

By _____
Its Authorized Signer

CITY OF SOUTH SALT LAKE

By _____
Cherie Wood, Mayor

Attest:

Craig Burton, City Recorder

STATE OF CALIFORNIA)
 : ss.
COUNTY OF LOS ANGELES)

On this _____ day of January, 2015, personally appeared before me _____, the authorized signer of the managing member of **ZELLERBACH PROPERTY LLC** whose identity is personally known to me, or proven on the basis of satisfactory evidence, to be the person who executed the Development Agreement on behalf of said limited liability company and who duly acknowledged to me that he/she executed the same for the purposes therein stated.

Notary Public

EXHIBIT A

[Insert property description.]

DRAFT

EXHIBIT B

[Attach Site Plan.]

293876

DRAFT

CONCEPTUAL RENDERINGS & SITE PLAN



Zellerbach Property, LLC - A Transit Oriented Mixed-Use Community

2255 South 300 East, South Salt Lake City, Utah

FLORES -
SAHAGUN
ARCFLO +
a visionary design firm

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257 EAST 200 SOUTH, SUITE 525
84111, UTAH
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F 801-320-9774
E info@arcflo.com

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RH Brokerage Services, Inc.
Rinaldo Hunt - Project Developer



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SITE PLAN



- A** BUILDING - 1
- B** BUILDING - 2
- C** ROOF TOP COMMON AREA
W/ PARKING STRUCTURE BELOW
- D** SOCIAL AREA
- E** PLAZA (Min 15'x15')
- F** CROSSING TO S-CAR STATION
-Change of Pavement Material
- G** S-CAR RIGHT OF WAY
- H** FUTURE S-CAR TRACK
- J** EXISTING S-CAR TRACK
- K** PARLEY'S TRAIL
- L** ADJACENT PROPERTY
- M** FITNESS + ACTIVITY AREA
- N** TOWNHOUSE
- P** LANE (2 WAY)
- Q** FIRE + SAFETY LANE
- R** LIMIT OF SUN SHADOW
- S** ENTRANCE TO PARKING
- T** EXIT OF PARKING
- U** TOWNHOUSE DRIVEWAY
ACCESS

Site Plan 1
 Scale: 1" = 30'



ILLUSTRATIONS, LAYOUTS AND CALCULATIONS SHOWN ARE BASED ON THE INFORMATION PROVIDED AND OBTAINED TO DATE. THIS INFORMATION IS PRELIMINARY AND CONCEPTUAL AND MAY VARY THROUGHOUT THE PROJECT. PRESENTED INFORMATION IS NOT INTENDED TO REPRESENT FINAL CONSTRUCTION OUTCOME OR RESULTS.