

Approval of Minutes

May 25, 2016. Director Beverly moved to approve these minutes.

MOTION: Sharla Beverly

SECOND: Kevin Rapp

Voice Vote:

Beverly Aye

Kindred Aye

Mila Aye

Pender Aye

Rapp Aye

Siwik Aye

Snow Aye

Unfinished Business

The Board moved to item number two on Unfinished Business.

- 2. **Adoption of 2016-2017 RDA Budget.** Finance Director, Kyle Kershaw, explained that the property closing is not going to occur in 2016 so the changes made to the budget are pushing the anticipated closing transactions into fiscal year 2017. There will be a sale of the property for the revenue side and expenditures included. The environmental problem has become a little more complicated so the cleanup fees were bumped up from \$200,000 to \$400,000. These are the biggest changes that have been made since they received the tentative budget a few weeks ago.

Economic Development Consultant, Randy Sant, advised that the minute they close on the RV Access property they would like to start tearing down the buildings.

Chairman Pender asked for a status update on the soil cleanup.

Mr. Sant advised that staff has put together a plan that cleans the environmental site to industrial level standards. That is what the State accepts and no other cleanup is required. This is what Winco insisted on. The winning bid for the cleanup was \$792,000. Boyer has agreed to upfront the cleanup costs with the understanding that the City will come back with an agreement to participate on that. The worst case participation is the RDA and Boyer will both cover half of the costs and the RDA will reimburse Boyer with tax increment that will be generated on the site once Winco is built. The second option is the RDA could give Boyer the lot which is contaminated which has a value of about \$432,000 in exchange for their \$400,000 cleanup. It is the RDA's option. Boyer has agreed in principal. Staff has submitted the cleanup plan to the State. They have reviewed and authorized them to go ahead and advertise the 30-day notice, which is a public comment period. Once that is done staff believes the State will accept the plan and then they can move forward cleaning up the property which they have been told is about a two to three week process.

Director Siwik asked about the South Salt Lake Chamber of Commerce contract.

City Attorney, Lyn Creswell, said they would extend the contract for another two years based on the Council’s action tonight. They have done two year contracts in the past unless the Council wants something different.

Director Kindred asked if a long-term plan could be put together to reduce the amount of the Chamber’s dependence on the City.

Mr. Creswell said they have committed to reducing their dependency on the City. They are paying a full rent and staff is insisting that they demonstrate that they are providing services to the City on a monthly basis. The City is getting value and getting rent.

Director Rapp said he wasn’t comfortable with a two year contract. He would like to reduce that to try and get the figure down.

Mr. Creswell suggested a one year operating agreement with a one year renewal. He said he would give the Board some alternative language and they can give feedback. Based on that feedback, he will insert the language into the agreement before they execute it.

President and CEO of the South Salt Lake Chamber of Commerce, Gary Birdsall, addressed the Council and said they are not “weening” the Chamber off of anything. They have a contract. If they want him to do less he will do less. If they want to pay him less he will do less. The Chamber does a lot that wouldn’t get done without them. They have a strong relationship and he wants to keep it going.

After discussion the Council decided they would like a one year contract with the Chamber and to revisit it again next year.

Director Siwik asked if the Council could get the monthly Chamber report that is given to staff.

Director Kindred moved to adopt the 2016-2017 RDA Budget.

MOTION Mark Kindred

SECOND Portia Mila

Roll Call Vote:

Beverly Aye

Kindred Aye

Mila Aye

Pender Aye

Rapp Aye

Siwik Aye

Snow Aye

Director Siwik moved to recess the RDA meeting and reconvene after the City Council meeting.

MOTION Shane Siwik

SECOND Portia Mila

Voice Vote:

Beverly Aye

Kindred Aye

Mila Aye

Pender Aye

Rapp Aye

Siwik Aye

Snow Aye

The meeting recessed at 6:03 p.m. and reconvened after the Special Council meeting at 6:44 p.m.

The Board then moved to Item 1 on the agenda.

1. **Zellerbach project.** Mr. Sant reviewed that this property is at 2250 South 300 East. They have a developer that is proposing a 292 market unit facility with 292,000 square feet with a 386 car garage. It is an investment of approximately \$54 million dollars. They have approach the RDA to consider if they would be willing to move through a process that would provide them some tax increment financing they could use on their project. In 2014 the RDA created a community development project area on the tracks line that includes the Zellerbach property. There was a master plan put together that was going to involve quite a bit of money to improve the TRAXX line and there needs to be a revenue source. Staff felt like if development would occur there it would give them a revenue source and they could use that. Mr. Sant explained how tax increment works. To get the tax increment they have to go back to every taxing agency and ask them to participate. This is the first phase in a multi-phase process, in that the RDA agrees to go through the process of asking the taxing entities to be willing to give up a portion of their property tax for this project. It will be done through an inter-local agreement. Some entities may not be interested. Staff is asking that the Board let them go through the process to look at collecting seventy-five percent of the increased increment and use that to help pay for certain costs of the development including some infrastructure, some difference in rent, and also to reimburse the developer for the improvements he is going to do in the TRAXX line that the City would have to do itself. One of the last things they will do is enter into a development agreement with the developer that would outline certain terms and conditions he has to meet in order to get the increment.

The developer asked for \$2,524,860 of the tax increment. Mr. Sant reviewed the request and feels that they could participate in \$1,884,559 of tax increment. The City's portion is equal to about \$34,000 a year or about \$515,000 for the entire fifteen years.

Director Siwik asked what would happen if they didn't participate in tax increment.

Mr. Sant said the developer may walk. He advised that the City needs to build the population to bring back the sales tax they giving away to every other city. Getting the street line going will open up opportunity for other development that they would want and be sales tax producing. Being the first project there, he would like to see the RDA make it successful.

Community and Economic Development Director, Mike Florence, added that as the Boyer Company has shown the Ritz Apartments, the Zellerbach Apartments, the Townhomes and the Cowboy projects to Winco and other tenants, they said they are really excited about what the City is doing with all the new housing. With the price of land being paid for the property and the zoning they have in place, more than likely they will see multi-family on this property. So if this developer walks they will still see multi-family there.

Directors Siwik, Snow and Rapp didn't feel they should subsidize the developer to build more apartments in the City. It also sets a precedent and others may come and ask for help as well.

Directors Kindred, Mila, Beverly said they would like to move forward in the tax increment process.

Chairman Pender suggested that they move this item to Unfinished Business and have some more time to review it and get a better understanding of it before making a firm decision since the Board is split on a decision at this time.

Director Mila moved to place this on Unfinished Business on the July 13, 2016 RDA meeting.

MOTION Portia Mila
SECOND Shane Siwik

Voice Vote:

Beverly Aye
Kindred Aye
Mila Aye
Pender Aye
Rapp Aye
Siwik Aye
Snow Aye

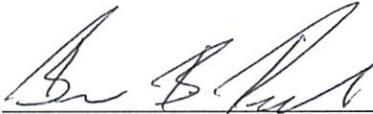
Director Snow moved to adjourn.

MOTION: Debbie Snow
SECOND: Portia Mila

Voice Vote:

- Beverly Aye
- Kindred Aye
- Mila Aye
- Pender Aye
- Rapp Aye
- Siwik Aye
- Snow Aye

Redevelopment Agency adjourned at 6:44 p.m.



Ben B. Pender, Chair



Craig D. Burton, RDA Secretary

