

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, SEPTEMBER 24, 2019

The Board of Directors of the Redevelopment Agency (RDA) of Salt Lake City, Utah, met on Tuesday, September 24, 2019 in Room 326, Committee Room, City County Building, 451 South State.

In Attendance: Directors Amy Fowler, Erin Mendenhall, Charlie Luke, Chris Wharton, Analia Valdemoros, Andrew Johnston, and James Rogers.

Staff in Attendance: Cindy Gust-Jenson, Council Executive Director; Jennifer Bruno, Council Executive Deputy Director; David Litvack, Mayor's Deputy Chief of Staff; Danny Walz, RDA Chief Operating Officer; Lynn Pace, Acting City Attorney; Mary Beth Thompson, Chief Financial Officer; Jennifer McGrath, Acting Community & Neighborhoods Director; Jill Wilkerson-Smith, RDA Deputy Chief Operating Officer; Katherine Lewis, Senior City Attorney; Kort Utley, RDA Senior Project Manager; Cara Lindsley, RDA Project Manager; Tammy Hunsaker, RDA Project Manager; Corinne Piazza, RDA Project Coordinator; Susan Lundmark, RDA Project Coordinator; Tracy Tran, RDA Project Coordinator; Marina Scott, City Treasurer; Steven Bagley, Deputy Treasurer; Kira Luke, Council Public Policy Analyst; Allison Rowland, Council Public Policy Analyst; Benjamin Luedtke, Council Policy Analyst; and Cindi Mansell, City Recorder.

Others Present: Josh Green, CW Urban Finance Director; Darlene Carter, CW Urban Division President; Daniel Stevens, Hines Development; Dusty Harris, Hines Development; and Joe LaSalle, LaSalle Restaurant Group.

Director Wharton presided at and conducted the meeting until the arrival of Director Fowler (2:43 p.m.).

The meeting was called to order at 2:11 p.m.

A. 2:11:46 PM GENERAL COMMENTS TO THE BOARD

Pete Ashdown said he had been a downtown business owner (X-Mission) and resident for the past 25 years. He said he had a front row seat to the Utah Theater and its many broken promises, and he was present today to advocate to preserve it. He said he was stunned to hear the RDA state \$60,000,000 was too expensive when the Eccles Theater cost \$160,000,000, did not go to vote, and destroyed a contributing building to downtown Salt Lake City. He said demolishing this building would destroy any chance for a grand movie theater in Salt Lake and one would have to go to Boise to see any 70mm films. He said the public should have a say about the fate and preservation of the Utah Theater.

Joe Post discussed the recent Notice of Funding Availability (NOFA) application process. He said his group applied for \$3,000,000 for the City Plaza/High Rise Project being done in combination with Housing Connect (formerly Salt Lake County Housing Authority). He said of the

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\$10,700,000 posted, only \$6,200,000 was awarded; the other \$4,500,000 was set aside for areas of high opportunity; and no one applied for those funds. He said four projects were awarded funding, this project was number five, and he was hoping there would be opportunity for funds for use by the City Plaza Project.

Daniel Nackerman discussed projects prior and current, working with neighborhoods, partnership projects with City and County Housing Authority (9th Street Lofts, Denver Street, Pamela's Place, Capital Homes, Brinshore Partners, Book Cliffs Lodge, and the recent City Plaza/High Rise Project). He said Housing Connect came close to gaining NOFA funding for their project and wanted additional consideration.

Troy Hart discussed specifics regarding the City Plaza/High Rise Project, including affordable housing (High Rise typical average income \$11,648/average rent \$291/74.5% disabled/65.10% elderly) and the City Plaza being 100% disabled. He said obviously, the rents were heavily subsidized, and it was hard to keep accruing additional debt. He said this was the reason the group was requesting \$3,000,000 from NOFA funding; he requested additional funding consideration by the Board.

B. PUBLIC HEARINGS

None.

C. REDEVELOPMENT AGENCY BUSINESS

#1. [2:19:50 PM](#) Approval of Minutes. Director Luke moved and Director Johnston seconded to **approve the minutes of RDA Board meetings held Tuesday, August 20, 2019 and Tuesday, August 27, 2019**, which motion carried, all directors voted aye, except Director Fowler, who was absent for the vote. [View Minutes](#)
(M 19-6)

#2. [3:01:22 PM](#) Utah Theater Redevelopment Update. *The Board will be briefed about the potential redevelopment of the Utah Theater, located at 144 South Main Street, and adjacent retail property.* [View Attachments](#)

Benjamin Luedtke, Danny Walz, and Tammy Hunsaker briefed the Board with attachments. Mr. Walz said the last Board update was September of 2018 with the primary discussion including focus on the option to preserve theater elements, seismic upgrades, funding strategy to demonstrate significant amount of public investment it would take to preserve the theater, and additional challenges without an identified user. He said the overall sentiment was the amount of public investment needed to save the theater made this arguably cost prohibitive. He said Staff was present to discuss a proposal for demolition of the structure

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while preserving elements within the new project coming from the theater.

Ms. Hunsaker provided an overview and background on the property. She said the RDA acquired the property in 2010 and spent about six years exploring various re-use and redevelopment scenarios in collaboration with special interest groups and consultants. She said during that time, Staff learned more about specific site constraints that provided limited potential for redevelopment. She said Staff began to engage the adjacent property groups in potential collaboration.

Director Mendenhall discussed the narrative of broken promises and inquired if during the acquisition process, were there promises made or something along those lines to use types or building preservation. She inquired about the commitment of the City or RDA during the path of acquisition until now. Mr. Walz said he was not in his current position during that timeframe and could not speak to specifics, other than to say the RDA purchased the building with the intent to explore feasibility of preserving the theater. He said that was the previous intention of the previous owner, but he did not know of specific promises or restrictions that would save this for theater use.

Inquiry was raised relevant to the decision not to put the Eccles Art Theater at this site and how that discussion went. Mr. Walz explained that site was eliminated early on for the same reason as Capitol Theater elimination (access, stage access, unloading, loading, landlocked). Inquiry was raised as to potential rehabilitation and use as a movie theater along with efforts made by RDA Staff to find a theater company that would invest in this project. Mr. Walz said that was the basis for the 2014 study with Salt Lake County for a film center. He said just for preservation and seismic improvements (before any improvements for end user), there were significant costs associated. He said it was difficult to find an end user who could support the amount of costs involved. He said there was a great deal of sentiment to try and save the building.

Director Luke said Staff worked tirelessly with The Utah Film Society and Utah Film Center to work out some sort of partnership. He said that was the original site of the Eccles Theater (in that building). He said the previous Administration wanted to move forward with something across the street which took down two historic buildings (one in pristine condition/demolished legitimately historic building that did not need any work) over doing something on this site across the street.

Director Wharton said he wanted to have a premier movie venue downtown and inquired what it would take other than \$60,000,000 investment to make this a workable site for a movie theater (and inside). Mr. Walz said this building would need a partner with \$50-80 million, and an end user who was willing and able to market something. He said it

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was easy to speak nostalgically about movie theaters, but there was no demand for single screen movie theaters. He said they could look at an operator who could do that as part of a larger operation, but typically found they did not have capacity to carry \$60 million in debt service. He said in doing Eccles, they were already cannibalizing entertainment venues. He said one would have to locate and operate the capacity to come in and save the structure and be able to make it work financially without parking and in a way not to cannibalize other City or County investments.

Director Rogers discussed estimates in regards to seismic improvements as being anywhere between \$13-\$22 million. Mr. Walz said that was admittedly a huge range and Staff had two contractors try to provide clarity on that range. He said without getting in there and taking a deep dive to what there was, it was very difficult to try and specify more than broad range. Mr. Luedtke added the cost ranges from \$43-\$70 million do not currently reflect the construction inflation in the market nor the 25% tariff increase on steel (that range was probably low).

Director Valdemoros questioned Staff pursuit of a local philanthropist or donor who might want to acquire the building for personal purposes. Mr. Walz said they had not reached out specifically to any donors (just finished up Eccles, trying to fulfill obligations, and difficult to obtain interest in an unknown project). He said as part of the Staff analysis, they took what had been done with Eccles (level of success/largest dollar efforts to date), and even if they had same luck - there would be a significant funding gap. Director Mendenhall encouraged additional conversation with Preservation Utah to extend those philanthropic conversations.

Ms. Hunsaker said the RDA and adjacent property owners did discuss preservation options and scenarios as to what a new project could look like on the site. She said redevelopment consideration included historic integrity, structural modifications/rehabilitation limiting ability for historic designations, seismic costs, access and parking, and lack of an end user. She said everyone recognized it would be a loss to lose the theater. She said the discussion turned to what other public benefits could be created with a new project. She said Staff turned to adjacent property owners (Hines and LaSalle Group) to discuss affordable housing (10%), affordable (between 60-70% AMI), public easement thru mid-block walkway, additional public space added on site, historic repurposing in theater element, and Main Street activation. She said Staff could move forward in identifying a final purchase price for the developer. She said developer representatives were present and could provide some renderings.

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Daniel Stevens, Dusty Harris, and Joe LaSalle discussed their company backgrounds and the intended partner project. Mr. LaSalle said sustainability and restoration were both priority. He said he was involved in the theater industry and had major ideas of what could be done with the building, but continually ran into roadblocks that came down to finances. Mr. Harris said they did everything possible to preserve the theater; then they turned to Main Street activation. The Board reviewed various renderings of the proposed development.

Director Mendenhall suggested more second-story balcony activation. Director Luke said he wanted to see the developer tackle some of the issues associated with the mix of successful and affordable housing. He suggested considering incentives to ensure ability to demonstrate affordability and market rate work together; he discussed the skyline view and the desire to see the entire building viewed as "art". Director Wharton said he wanted to incorporate more historic elements and utilize anything reusable. Director Rogers inquired about parking. Mr. Harris explained in this proposal, the open space sat on top of the parking structure (just under 500 stalls/have not considered any other public use). He said the idea was to create space that would highlight history.

Director Fowler said it was important to the Board and the public to try and preserve as much as possible. She said the contract should say "will" as opposed to "may". Mr. Walz said it was important to distinguish between what the RDA was trying to do, what they were requiring the developer to do, versus what they would continue to work with for project design as far as potential additional public benefits. He said Staff was negotiating the purchase and sales agreement that would anticipate the recording of a land use agreement to specifically call out the top three public benefits: affordable housing, mid-block walkway, and preserving and incorporating elements of the theater.

Director Johnston said he wanted to flush out the term and meaning of "affordability". He said he struggled with losing the theater as well as with the streetscape level renderings (did not tell him much about the history). He said it did not stand out from Main Street activation or historical aspect standpoint and he was also struggling with the placemaking. Mr. Harris said they appreciated the candid feedback and the idea was to create a place to highlight the theater history that would be visible through the glass. Director Johnston requested a context in the neighborhood regarding affordable housing to help him understand the offset (not all one building).

Director Valdemoros said this was in her district and she struggled with the project. She said she wanted to find a philanthropist and see more to seal the deal.

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Director Mendenhall said the Council had been through two Administrations holding this property and a lot of conversations with organizations and companies. She said she did not want to see a third Administration sit on this property, it was no longer a theater, and she wanted to see history in the structure on the exterior of the building. She said the Board needed some acknowledgement that would not turn over.

The Board determined they were generally supportive but would challenge the RDA Staff and developers to come back and incorporate additional design elements. Mr. Walz said next steps would provide for execution of the sales agreement.

#3. 4:10:28 PM RDA Guiding Framework, including RDA Mission and Values. *The Board will be briefed about RDA staff's proposed guiding framework and evaluation process for prioritizing various redevelopment projects. The intent of the framework would be to clarify the organization's purpose and outline a methodology for prioritizing projects that align most closely with the RDA's goals. In addition, staff is seeking input on a project evaluation process that would help determine a project's priority level based on the public benefits it creates. [View Attachments](#)*

Benjamin Luedtke, Danny Walz and Kort Utley briefed the Board with attachments. Mr. Utley said this strategic operational document included a new mission statement, some value statements that addressed economic, neighborhood and social impacts, and a process to evaluate projects based on the number of public benefits they created.

Director Wharton moved and Director Valdemoros seconded to adopt a resolution adopting the Agency's Guiding Framework for Mission and Values, which motion carried 5-1, all directors voted aye except Director Rogers who voted nay and Director Mendenhall who was absent when the vote was taken.

Directors discussed their support. Director Johnston inquired how this played into creation of a new project area (not just existing). He suggested future discussion including working with other taxing entities, how to align improved communications with them, and to help them understand why a certain area was selected.

Director Luke moved and Director Wharton seconded to reconsider action on the resolution and RDA Guiding Framework, and to include the RDA Mission and Values, which motion carried, all directors voted aye, except Director Mendenhall who was not present when the original vote was taken.

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Director Mendenhall proposed insertion of environmental sustainability into the RDA Mission Statement. She addressed the financing tools, particularly through the RDA acknowledging that buildings were about to outpace vehicles in terms of emissions. She said the building future should at least consider environmental buildings. She referenced the three core values and asked to insert environmental sustainability into the community impact values.

Further discussion followed regarding process, with Mr. Walz stating wordsmithing on the fly was difficult. He said from Staff perspective, there was no problem adding the language - but did it make sense (other than being repetitive) in having it in both spaces (mission statement as well as value and goals). He said Staff could review.

Mr. Utley said the notion of sustainability came in under the neighborhood vibrancy category. He said one benchmark would be sustainability when evaluating neighborhood vibrancy and suggested that location and to replace the word sustainable. Director Rogers inquired if sustainability components were being considered within loan programs. Mr. Walz said this was an item of prioritization. Director Rogers questioned having it within the document itself and asked the RDA what they were looking for to promote sustainability - what that meant (i.e. require solar). He asked if they were going to require something beyond the International Building Code. Mr. Walz said the separation of powers was a key component (administrative versus elected). He said hearing the Board prioritization, both to be called out in the Mission Statement and the Values, allowed Staff to point to both in conversations with developers. He discussed the need for project evaluation balance to what was being required in the Building Code, the City priorities within its own Sustainability Department, and how to apply that equally across the City, projects, and incentives.

Director Mendenhall moved and Director Valdemoros seconded to adopt the resolution with the insertion of environmental sustainability in the mission statement, which motion failed.

Directors expressed concern with postponing this item any longer than necessary.

Director Johnston moved and Director Mendenhall seconded to adopt the resolution in its final form at the next available meeting, to include definition consideration of the three core values and building benchmark descriptions to flush out "environmental sustainability" to ensure the areas were coherent with each other, which motion carried, all directors voted aye.

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#4. [4:16:27 PM](#) Station Center Infrastructure Improvements and Maintenance Funding Update. *The Board will receive an update on the Station Center infrastructure projects that would create three new City streets, reconstruct an existing street, upgrade utilities for anticipated development and provide other public improvements. The update includes possible ways to fund maintenance of the improvements and next steps. [View Attachments](#)*

Danny Walz, Benjamin Luedtke, and Cara Lindsley briefed the Board with attachments. Mr. Luedtke discussed the project as envisioned to create three new public streets: Pierpont Avenue, Woodbine Court, and Market Street. He said this project would include other improvements (underground power lines, trees, sidewalks) and was located within the Depot District Project Area expiring in 2023. He referenced a summary table which included all Board approved funding for this project (including a mix of direct investment and development incentives). He said this was the maximum amount authorized by the Board and the actual amount would be based on final public benefit costs. He said there could be additional requests for funding relative to the Station Center. He discussed maintenance for large infrastructure projects (particularly those with enhanced amenities). He said there was a breakdown of costs included for these enhanced amenities (approximately \$320,000 ongoing/\$95,000 one-time for equipment). He said the Administration was recommending a Business Improvement District (BID) however, the existing Central Business Improvement Assessment (CBIA) Area, which funds the Downtown Alliance, currently included both blocks of Station Center and had provided promotion, marketing and advocacy since 1991. A new BID would be on top of that Downtown Alliance assessment.

Ms. Lindsley provided a brief background on the objectives established for the project and neighborhood through ten years of community engagement, RDA Board direction, and Master Plan. She said those objectives were to create mid-block streets, reinforce the historic character of the area, maximize transit and pedestrian orientation, design high quality and functional public spaces, and reduce parking ratios when possible. She said Staff had worked on developing the design for the neighborhood infrastructure improvements.

Director Luke said he wanted to see this type of design feature incorporated into future projects. He expressed concern as to the incredible amount of future maintenance the features would require and inquired if there was a plan for long-term maintenance. Ms. Lindsley said the establishment of a BID would provide for maintenance funding.

Director Fowler inquired if conversations had been started with those property owners about having a second assessment (if a BID were implemented). Ms. Lindsley said it was discussed in 2014, and Mr. Walz

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said approximately 50% of the property within those two blocks was owned by the RDA. He said the intent of this discussion was to determine whether there was Board support for the BID as proposed to have it in place before any property sales.

Director Johnston inquired why there were no dedicated bike lanes included in the renderings. Ms. Lindsley said that was proposed as the festival (curb less) street (imagine the feel of a plaza/slow moving traffic). Director Johnston inquired how to co-exist in small multi-use areas without using the curb and how to address safety issues for everyone involved (bicycles and scooters). He said he wanted to discuss that further during the design phase. Ms. Lindsley discussed envisioned areas of thoroughfare/alternative routes and said there was room for further discussion.

Director Wharton expressed concern regarding another area with BID or Special Assessment Area (SAA) and inquired what process differences and commitments were being done now as opposed to the Central 9th South area. Mr. Walz said the difference would be implementing the BID first before selling the property. Director Wharton inquired how a public market would fit into the area, with Mr. Walz stating Staff had not considered alternative solutions as that was identified in the RDA and Master Plan many times.

Director Rogers inquired how much funding was identified for infrastructure to build out the public market. Mr. Walz said development of the streets and utilities would receive assistance but there was nothing in these funds to directly provide for the construction of a public market building. Mr. Walz said these funds were strictly for the infrastructure and upgrading of the utilities to provide for the development of these two blocks.

Ms. Lindsley said Staff was searching for direction on the maintenance funding strategy. She said if the BID approach was acceptable, the next steps would be working with a consultant to evaluate assessment methods and obtain additional cost assessments for maintenance.

A unanimous Straw Poll was conducted in favor of exploring maintenance through the Special Area Assessment (SAA) or BID method.

Ms. Bruno said there was no one department suited to manage the SAA process in terms of noticing, public hearings and information sharing, etc. She said the thought was for a separate consultant to be tasked to manage that process. She said Staff proposed using a consultant to come up with initial analysis.

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A unanimous Straw Poll was conducted in favor of having Staff return for Board consideration of hiring a consultant to manage the SAA or BID public process (as opposed to Staff).

#5. 2:20:23 PM Resolutions: Refunding of Redevelopment Agency Bonds, Series 2013, and Salt Lake City Sales and Excise Tax Revenue Bonds, Series 2007A. *The Board will be briefed about, and will consider adopting, two related resolutions regarding RDA bonds:*

- 1. A resolution that would authorize the issuance and sale of not more than \$46,000,000 aggregate principal amount of its tax increment revenue refunding bonds, and related matters; and,*
- 2. A resolution that would approve an updated debt service schedule in an interlocal agreement between the City and RDA related to the RDA's contribution to debt service payments for 2007A bonds issued by Salt Lake City for the construction of the Westside Railroad Realignment Project (Grant Tower) [View Attachments](#)*

Danny Walz, Marina Scott, and Mary Beth Thompson briefed the Board with attachments. Ms. Scott discussed the proposed refunding of two bonds and two resolutions being presented for consideration. She said, if adopted, the Series 2013 Tax Increment Revenue Bonds (Performing Arts Center Project) would yield \$2,200,000 in savings over the next 12 years. She discussed steps to bring forward an interlocal agreement to be amended to reflect the new debt service schedule. Ms. Scott discussed the second proposal to refund Sales Tax Revenue Bonds, Series 2007A (Grant Tower), and said the RDA contributed a portion of debt service that originally was calculated based on the RDA's \$3,100,000 portion of the project cost. She said if refunding was successful, the RDA would save approximately \$18,139 over the next three years. Ms. Scott said this refunding would also include an amended interlocal agreement to reflect the new debt service schedule. She said the savings were estimated based on current market conditions.

Director Mendenhall said in the past when considering bond refinancing (during that exploration), Staff found the capacity to fund additional projects within that bond description (example McClelland Trail). She inquired about other capacity considerations with the proposed scenario. Ms. Thompson said this refund would help eliminate RDA budget tightness or the General Fund having to subsidize the RDA. Discussion followed regarding long-term funding and providing security for the future.

Further discussion followed regarding necessary action at this time, with Ms. Thompson stating the request was for Board adoption on October 8, 2019.

#6. Tentative Break

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#7. [2:26:29 PM](#) Resolution: Loan to CW Urban for Project Located at 378 West 300 South. *The Board will be briefed about, and will consider adopting, a resolution that would authorize a loan of up to \$3.3 million to CW Urban for a project located at 378 West 300 South. If approved, the loan would assist with the construction of The Olive, a multifamily residential development that would include 120 condominium units ranging in size from studios to two-bedroom units and penthouses. [View Attachments](#)*

Danny Walz, Allison Rowland, Susan Lundmark, Josh Green, and Darlene Carter briefed the Board with attachments. Ms. Rowland said this was a more traditional RDA supported project in the sense the gap loan proposed was to further the goal of increased home ownership, economic development for the neighborhood in which it was located, there was no explicit and deed restrictive affordable housing component, and the public benefit interest rate reduction was relatively small adjustment on a short loan. She said this was justified under the goal of area economic development.

Ms. Lundmark discussed the loan terms and project. Mr. Walz clarified project specifics and said the project was not by nature classified as affordable housing as much as addressing priority to bring home ownership to downtown. Director Mendenhall said she wanted to see more of these types of projects.

Director Rogers inquired who would enforce percentages on the rents. Mr. Walz said he anticipated these would be built into the Homeowner's Association (HOA) documents that were set up prior to units being sold. Discussion followed regarding how HOA fees were assessed, whether that be per unit or via square footage, etc.

Ms. Carter said CW Urban felt strongly about wanting the project to be Federal Housing Authority (FHA) approved so the homeowner would have those financing opportunities. She said in addition, because of the actual type of project ownership, the plat was a condo. She said there were two different restrictions with what FHA required as far as investor (up to 50% of the building being investors). She said because the project was a condo plat, there were additional restrictions and they had to adhere to the highest level of condo restrictions to receive Fannie and Freddie financing, so no more than 30% of the units at any time could be non-owner occupied as well as not more than one person being able to own more than 10% of the building. She said these would be mandated through the loan officer and the HOA. She said in terms of HOA, the larger the unit, the more one would pay in terms of fee (pro-rata). She said that only included a portion of the HOA because there were certain amenities that everyone in the building could enjoy (fees spread throughout), and the service of the building was being done on a square footage basis.

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Director Mendenhall inquired about façade materials. Ms. Carter said if the rendering did not depict, it was largely a white brick building. She said CW Urban felt strongly about tying into what Gateway District was about, the rendering included 70% white brick, and the only stucco façade was primarily on the towers. Inquiry was raised as to whether the development included any solar installations, with Ms. Carter stating not at this time. She said one amenity to the space was approximately 1/3 of the roof was envisioned to be a rooftop patio. She said they did not explore solar panels because it was a for-sale project that might be difficult to divide costs between home owners and the HOA.

Director Valdemoros inquired what was envisioned for the commercial space. Ms. Carter discussed the desire to include some type of food service or amenity to residents and to bring vibrancy and walkability to the project. She said there was no specific tenant in mind as commercial brokers generally wanted to see projects mobilized first. Director Valdemoros inquired as to whether there were plans to shut down portions of the street. Ms. Carter said the commitment was to build the property on site. She said there might be times for periodic shutdown for utilities, but they were not planning on using any neighboring streets for staging during the project (they were planning on using the actual site).

Director Wharton said this area had already transitioned and inquired why the RDA should invest in this specific area. Mr. Walz said providing for home ownership in downtown was the goal (public benefit/continuing to activate downtown). He discussed surrounding area investments and the ability to provide the full range of housing opportunities. Ms. Carter said the company felt strongly about providing for-sale housing downtown.

Director Johnston discussed the home ownership component and enforcement. Ms. Carter said most residents were people who lived in the units and were primary occupants. She said there was no advertisement calling for investors to come to their projects, rather for people who want to live downtown and be a part of the City. She said that was not the company goal nor how they market (benefit to the residents who live there). She said the way to enforce was through the take-out financing lender. Further discussion followed regarding sustainability (demolition of the current site/construction of the new site). Ms. Carter said that was in the hands of the third-party contractor and taking advantage of reusing the interior of the building. She said in terms of sustainability there would be efficiencies in insulation, heating and cooling systems, appliances, but would not meet a high-end certification.

Director Mendenhall said because buildings were the next big hurdle for air quality, they should be aggressive when providing interest rate

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reductions for sustainability. Mr. Walz said these comments were valid; however, this project did not seek the sustainability interest write-down. He said this would be a great segway into the next agenda item as both the Administration and Council would start defining the strategic framework, metrics, policies, and priorities for RDA funding. Inquiry was raised as to whether buyers could incorporate sustainability items down the road. Ms. Carter said there had been other projects in which the Covenants and Conditions allowed for solar and that individual decision had been done retroactively.

Director Valdemoros said this project should want to be the standard for green alternatives or additions to revise. She inquired if CW would be interested in spearheading new policy for buildings. Ms. Carter said she did not want to commit to something in this moment, but CW Urban was 100% committed to downtown residents. She said if directives were given by the RDA, they could consider how to incorporate. She said because the project was set to mobilize in 30 days it would be hard to commit but she would be open to consideration. Mr. Walz said given that the project was ready to mobilize, had been thru the design and permitting process, it would be arguably difficult to do anything of significance as it related to sustainability at this time. He said that would be a policy discussion that should occur long before a project would reach this stage.

Director Wharton moved and Director Rogers seconded to **adopt Resolution R-13-2019 approving the term sheet for a loan to CW Urban for a residential condominium development project located at 378 West 300 South**, which motion carried, all directors voted aye.

#8. 4:44:04 PM Resolution: Notice of Funding Availability for Affordable Housing Funding Allocations. *The Board will be briefed about, and will consider adopting, a resolution that would approve citywide affordable housing project funding allocations as selected through a \$10.4 million Notice of Funding Availability (NOFA). If approved, approximately \$6.1 million in loans and other incentives would be available for four affordable housing developments. The Board may also discuss the remaining \$4.5 million for affordable housing options in the City's "high-opportunity areas." These are usually areas where residents have better access to factors affecting their potential economic mobility such as jobs, schools and public transit. [View Attachments](#)*

Danny Walz, Tracy Tran, Tammy Hunsaker, and Allison Rowland briefed the Board with attachments. Ms. Rowland explained the RDA Finance Committee evaluated the 12 applications submitted for these funds and recommended the ranking presented. She said should the Board choose to follow those funding recommendations, virtually all of the Citywide funds (\$6,106,000) would be allocated to four Tier 1 projects. She said three

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other projects were listed in Tier 2, in case additional funds became available or one of the Tier 1 projects did not go as planned. She clarified the Board would need to approve the Tier 1 funding during today's meeting to allow these projects to list this support as part of their Low-Income Housing Tax Credits (LIHTC) applications due in October of this year. Ms. Rowland said additional discussion could be conducted on items such as: expanding locations allowable for NOFA-funded projects; the RDA could take a more active and direct approach; there could be other points at which the RDA could engage developers in these areas; and the Board could ask RDA Staff to work with developers to ascertain any barriers.

Ms. Tran said over \$24,000,000 funding requests were received; unfortunately, more funds were not available. She said none of the projects submitted for the 2019 NOFA were located in "high-opportunity census tracts", a pattern repeated from the 2018 NOFA. She said Staff would continue to accept applications for projects that could qualify for these funds.

Ms. Hunsaker discussed the four Tier 1 projects and provided details on each. She discussed consideration of project readiness, completeness of applications, etc. She said Staff continued to rank Tier 2 applications in case additional funding became available. The Board discussed the projects, number of units and low-income housing units, and other specifics.

Director Rogers moved and Director Luke seconded to **adopt Resolution R-14-2019 to approve the Citywide affordable housing project funding allocations as recommended by the RDA Finance Committee and RDA Staff; and if additional funding became available, either through the identification of additional funds or if one of the Tier 1 projects did not result in a viable loan, the Committee recommended funding be allocated to the Tier 2 projects in order of Priority Ranking**, which motion carried, all directors present voted aye.

The Board expressed the need for policy discussion on what was deemed as Tier 2 and the \$4.5 million set-aside for high opportunity areas. Ms. Hunsaker said Staff recently received an application for a high opportunity site acquisition loan (\$1,800,000). She said that process was left open-ended until further notice and Staff would continue to actively solicit applications that would be vetted through the typical process.

Director Mendenhall suggested the RDA take a more active and direct approach/role in promotion on/in conjunction with City-owned properties; and engage developers in that area by working with Building Services to consider projects not quite ready (but in the pipeline).

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Director Luke said there were not many affordable development opportunities on the East side from 7th East and further east, and there should be opportunities for affordable housing City-wide. He suggested Board consideration of broader distribution of housing City-wide versus rushing to construct housing where there may be opportunities.

Director Johnston expressed concern about removing the first option because of one City-owned location in Sugarhouse (surrounded by modern opportunity areas).

A unanimous Straw Poll was conducted in favor of directing Staff to incorporate (listed under policy direction question 2) recommendations B (RDA take a more active and direct approach to promoting affordable housing in high-opportunity areas); & C (there may be other points at which the RDA could engage developers).

#9. Report and Announcements from the Executive Director. *Report of the Executive Director, including a review of information items, announcements, and scheduling items. The Board of Directors may give feedback or policy input.*

None.

#10. [5:24:46 PM](#) Report and Announcements from RDA Staff. *The Board may review Board information and announcements. The Board may give feedback on any item related to City business, including but not limited to:*

- North Temple Event Walking Tour Recap (coordination with Arts);
- New Request for Proposal (RFP) Update;
- Public Art Project Update;
- RDA Staff Expertise; and
- Scheduling Items.

Mr. Walz updated the Board on the topics listed.

#11. [5:26:29 PM](#) Report of the Chair and Vice Chair.

Director Fowler reminded the Board of the RDA Special Meeting being held later that evening.

D. WRITTEN BRIEFINGS

None.

E. CONSENT

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None.

F. (TENTATIVE) CLOSED SESSION. The Board will consider a motion to enter into Closed Session, in keeping with Utah Code §52-4-205 for any allowed purpose.

Item not held.

This portion of the meeting recessed at 5:27 p.m.

A Special Limited meeting was reconvened in Room 326, Committee Room, at 6:28 p.m. to conduct additional business.

The following Board Directors were present:

Andrew Johnston	James Rogers	Charlie Luke
Amy Fowler	Erin Mendenhall	Chris Wharton
Analía Valdemoros		

Jennifer Bruno, Council Executive Deputy Director; David Litvack, Mayor's Deputy Chief of Staff; Lynn Pace, Acting City Attorney; and Scott Crandall, Deputy City Recorder; were present.

6:28:50 PM Director Fowler presided at and conducted the meeting.

C. REDEVELOPMENT AGENCY BUSINESS

#1. 6:29:13 PM Diversion of Property Tax for a Community Reinvestment Project Area: Block 67 North Community Reinvestment Area (CRA) Interlocal Agreement with Salt Lake City. *The Board will consider approving a resolution that would authorize an interlocal agreement with Salt Lake City, as part of the proposed development on the Block 67 North Community Reinvestment Area. Block 67 is a City block bounded by 100 South, 200 South, 200 West and 300 West. The development would contain a residential, commercial and hotel complex, and an underground parking structure. The notice of diversion of property tax for a Community Reinvestment Project Area also applies to the interlocal agreement with the County that the RDA adopted on August 27, 2019, for the same CRA.*
[View Attachments](#)

Director Rogers moved and Director Luke seconded to adopt Resolution R-15-2019 authorizing execution of an interlocal agreement with Salt Lake City for a portion of tax increment for the Block 67 North Community Reinvestment Project Area, which motion carried, all directors voted aye.

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The meeting adjourned at 6:29 p.m.

Redevelopment Agency Chair

Secretary

This document is not intended to serve as a full transcript as additional discussion may have been held; please refer to the audio or video for entire content pursuant to Utah Code §52-4-203(2)(b).

This document along with the digital recording constitute the official minutes of the Salt Lake City Redevelopment Agency meetings (afternoon and evening) held September 24, 2019.

clm