

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, DECEMBER 10, 2019

The Board of Directors of the Redevelopment Agency (RDA) of Salt Lake City, Utah, met on Tuesday, December 10, 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; 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; Allison Rowland, Council Public Policy Analyst; Benjamin Luedtke, Council Policy Analyst; and Cindi Mansell, City Recorder.

Guests in Attendance: Ryan Ritchie, Developer; Mike Michelson, Eide Bailly; Fran Pruyn, CRSA Architect Consultant; Kathy Wheadon, CRSA Consultant; David O'Neil, Project for Public Spaces; and Larry Mollinex, State Fairpark Executive Director.

Director Fowler presided at and conducted the meeting.

The meeting was called to order at 1:15 p.m.

A. GENERAL COMMENTS TO THE BOARD

Brent Koga submitted a comment card but did not wish to speak. His comments included the Ritchie Group originally proposing the parking lot for the churches on Japantown Street to better integrate with the project on Block 67; they were now tying the regrading and access of Block 67 development to their access to soil rail easements and erasing access easements; the RDA had been a huge help in trying to retain Japantown interests; and he was concerned at \$15,000,000 of public monies being used to fund private entity for parking.

B. PUBLIC HEARINGS

None.

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, DECEMBER 10, 2019

C. REDEVELOPMENT AGENCY BUSINESS

#1. 1:43:52 PM Approval of Minutes. Director Wharton moved and Director Mendenhall seconded to **approve the minutes of RDA Board meeting held Tuesday, November 12, 2019,** which motion carried, all directors voted aye. [View Minutes](#)
(M 19-6)

#2. 1:44:09 PM RDA Audit Review and Approval for Fiscal Year 2018-19. *The Board will review and consider accepting the Fiscal Year 2018-19 RDA Audit, which shows the agency's financial conditions as of June 30, 2019.* [View Attachments](#)

Mary Beth Thompson and Mike Michelson briefed the Board with attachments. Mr. Michelson said the Audit Report was issued November 19, 2019 and included another letter that was required by audit standards relative to the Agency's financial conditions as of June 30, 2019. He briefly covered highlights of both documents. He referenced findings in previous years that had not been raised this year and said there were no audit adjustments or additional findings.

Director Luke moved and Director Johnston moved to **accept the RDA Fiscal Year 2018-19 Audit and direct Staff to distribute it as necessary,** which motion carried, all directors voted aye.

#3. 1:54:16 PM Informational: Fairpark Public Market Feasibility Study. *The Board will be briefed about the Utah State Fairpark Public Market Feasibility Study. The study looked at demographic and economic demand for a public market, site analysis of locating at the Fairpark, cost estimates, development options and comparable markets in other cities among other considerations.* [View Attachments](#)

Benjamin Luedtke, Danny Walz, Cara Lindsley, Fran Pruyn, Kathy Wheadon, David O'Neil, and Larry Mollinex briefed the Board with attachments. Mr. Luedtke provided a brief background on the 2016 funding of the Depot District Public Market feasibility study. He said there was an error in the draft calculations that was corrected when the final report was provided. He said the study presented today was funded in 2017 and was specifically for the State Fairpark. He said the funding for both studies was \$175,000 and said there was no additional funding budgeted on either the City or RDA side.

Ms. Lindsley discussed content, scope, and steps involved with the study. She said the consultant recommended a phased approach to implement the public market (which could take up to ten years).

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, DECEMBER 10, 2019

Ms. Pruyn said the people and product (demand and supply) were there, but the place (albeit accessible) was challenged. She said there were several Technical Advisory Meetings (TAC) and there were placemaking workshops at those meetings. She said those were huge opportunities to build on current Fairpark programming and there was significant interest in the historic barns as a public market (both indoors and outdoors). She said accessibility needed to be improved (the wall surrounding the south side created a barrier) and the market needed to be activated as a public space in order to be successful (lighter, cheaper, quicker).

Mr. O'Neil discussed the proposed market mix concepts, vendors, or potential themes that could be considered. Ms. Wheadon referenced locational issues or potential for developer driven projects. She said there were two potential sites south of North Temple within property owned by the State (the White Ball Field site that would need to be activated and include consideration of a development project). She said the other option would be to utilize existing space within the Fairpark, including the barns along North Temple. She said a site could be fenced off during an initial phase that could provide security and enclosure when other events were running at the Fairpark site. She said that seemed to be an easy and inexpensive way to test the market site (minor modifications to facilities and sites). She discussed additional phases.

Discussion followed regarding various management options, scenarios, costs, and testing the numbers with various numbers of vendors. Mr. O'Neil said as the market evolved, the management could become more sophisticated. Discussion followed regarding next steps, with Ms. Pruyn stating there had been extensive public involvement and presentations. She discussed startup improvements needing to be done and said the project could be done in any number of phases.

Mr. Mollinex said the Utah State Fairpark Corporation Board reviewed the study and was very excited about the International Market potential. He discussed the organizational structure of the Fairpark Corporation and said they believed there would be more capital and revenue to be captured through the food and beverage revenues that was not studied. Directors Rogers and Wharton asked to be involved with any presentations to the Development Board. Mr. Mollinex said following the advice of information captured during the discovery process, they were able to repave various areas as well as make additional improvements. He said they had also started to incorporate art into the Fairpark.

Director Mendenhall said once getting through phases of implementation, how would the Fair operate with the market. Mr. Mollinex suggested suspending activities in the barn during that time. He said the long-term plan was to relocate or build new barns to the north side of the property. He said when the Outdoor Retailers left Utah, the

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, DECEMBER 10, 2019

Fairpark was able to negotiate retention of their small portion of that program. He said the continued success of those events received more and more attraction and the day would come where they would want to relocate to the Salt Palace vicinity.

#4. 2:33:27 PM Resolution: Loan for an Affordable Housing Development in a High-Opportunity Area located at 2960 South Richmond Street. *The Board will be briefed about, and will consider adopting, a resolution that would approve a \$1.8 million loan for Richmond Flats, a 60-unit affordable housing development located at approximately 2960 South Richmond Street. The funding is available through the 2019 Notice of Funding Availability (NOFA) process for housing proposals, to which the Board has appropriated \$4.5 million for affordable housing in "high-opportunity areas." These are usually areas where residents have better access to resources affecting their potential economic mobility such as jobs, schools and public transit. [View Attachments](#)*

Allison Rowland, Danny Walz, Tammy Hunsaker, and Tracy Tran briefed the Board with attachments. Ms. Tran said the applicant planned to close on the property only after it was rezoned to allow for multi-family and/or mixed-use development, and once its application for tax credits and senior financing were approved. She said the property was on the border of Salt Lake City and Millcreek and located within the High-Opportunity area. She said the Finance committee approved the loan and terms.

Director Wharton said George Chapman brought up an interesting concept about the walkway needs. He said streetscape improvements had not been formalized, but the concept could use some work because it was impossible to walk on that area during traffic flow. He suggested conversation about how to partner with Millcreek and look further at that area.

Director Mendenhall moved and Director Luke seconded to **adopt Resolution R-25-2019** approving the Notice of Funding Availability (NOFA) Funding Allocation for High Opportunity Area Affordable Housing and preliminary loan terms for a loan to Community Development Loan Corporation of Utah for an affordable Housing Project located at 2960 Richmond Street and to include the recommendation to work with Millcreek regarding additional walkability, which motion carried, all directors voted aye.

#5. 1:17:27 PM Resolution: Block 67 North Tax Increment Reimbursement Agreement. *The Board will be briefed about, and will consider adopting, a resolution that would approve a Tax Increment Reimbursement Agreement between the RDA and developers Garn Development Company and the Ritchie Group for the proposed large-scale mixed-use*

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, DECEMBER 10, 2019

development on Block 67 North, at the northwest corner of the block bounded by 100 South, 200 South, 200 West and 300 West. [View Attachments](#)

Allison Rowland, Danny Walz, and Corinne Piazza briefed the Board with attachments. Ms. Rowland provided a brief background and said at the request of Salt Lake County, the Agency would act as pass through for Transportation Funds and would reimburse Salt Lake County on behalf of the Ritchie Group via tax increment from Developer's parcels within the Community Reinvestment Area (CRA). She said this was the final stage for the Board involvement to ensure negotiated agreements were fulfilled.

Ms. Piazza reviewed the project alignment and downtown master plan as well as Board requirements for participation, Japantown requirements within the Tax Increment Reimbursement Agreement (TIRA), and additional Japantown benefits. Mr. Walz described the overall project budget and reimbursement agreement terms overview.

Director Wharton said his main concern from the beginning was to ensure that Japantown was protected; he asked for explanation as to those protections. Ms. Piazza discussed ways to ensure protection of the public benefit. She said the mid-block walkway would take place in Phase I and II; and included the provision that were those not incorporated in the permit phase, the process would not be approved or go forward.

Director Wharton inquired as to precedence in this regard. Mr. Walz said this had not been done to this extent, but to go behind would be a viewpoint the County would have needed to negotiate early on as part of the deed restriction. He said there were limitations tied to the reimbursement agreement. Director Wharton expressed concern to rely on this for public parking. He said an additional question would be about timeframe associated with the surface improvements. Mr. Walz said the timeline for improvements on 100 South would come out of the consultant study. Director Wharton expressed additional concern with timeline and completion. Ms. Piazza discussed protections included, fallback agreement provisions, and additional items.

Director Luke said this was a project that typically the RDA Board would be excited about without any hesitation. He said it was a good project and would do a great deal for that part of the City in terms of redevelopment.

Director Luke moved and Director Rogers seconded to **adopt Resolution [R-24-2019](#) approving the Block 67 North Project Area Tax Increment Reimbursement Agreement with West Quarter Residential I, LLC and West Quarter Lodging I, LLC**, which motion carried, all directors voted aye.

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, DECEMBER 10, 2019

#6. [2:43:34 PM](#) Informational: Funding Our Future Sales Tax Funds for the Housing Trust Fund. *The Board will receive an update on the proposed administrative guidelines for the use of nearly \$2.6 million in Funding Our Future sales tax revenues in the Housing Trust Fund. Administration of the Housing Trust Fund was shifted on a trial basis from the Housing and Neighborhood Development Division to the RDA as part of the budget process for Fiscal Year 2019-20. [View Attachments](#)*

Cindy Gust-Jenson, Allison Rowland, Danny Walz, Tammy Hunsaker, and Tracy Tran briefed the Board with attachments. Ms. Rowland said the goal of the shift of the Housing Trust Fund administration to the RDA was to streamline the process for developers to be able to access all available funds within the City because that provided for increased efficiency. She said the Housing Trust Fund rules and purposes had not changed relative to function and funds would only be used for affordable housing.

Ms. Hunsaker said \$2.59 million was allocated to the RDA thru the current budget year. She said there was some legislative intent that went along with that allocation: to deploy funds through a more efficient way/consolidated source, funds transferred on a trial basis, tracked separately, and deployed for low-income and special-needs housing. She said they needed to align with the current Trust Fund and the packet included a briefing on the guidelines administratively developed between the RDA and Housing and Neighborhood Development (HAND) on how these funds would be deployed. She said there was also legislative intent passed when funds were transferred with Staff to return with six and twelve-month check-ins on deploying those funds. She said Staff would return with a larger discussion later to summarize program guidelines and how the Housing Development Trust Fund had been working to date. She said the RDA named these funds specifically the Housing Development Trust Fund so there was distinction.

Discussion followed regarding pros and cons associated with the first-come/first-serve basis. Ms. Gust-Jenson discussed the first-come/first-serve basis and said Staff was reacting on what had been brought to them by developers (adapting to that structure rather than putting policy priorities first and saying what the Board wanted to invest in). She said it was more transparent to do the NOFA because everything was laid out and the playing field was fair. She said the Board could conduct additional discussion if procedural changes were needed (role clarity between RDA and HAND).

Discussion followed regarding a competitive need process that could be desired if there were more demand than funds available. Mr. Walz said the initial legislative intent was to keep the process in place, but the intent was originally to utilize these funds almost as a financing gap bridge and that was why the NOFA proactive approach was taken to identify

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, DECEMBER 10, 2019

priorities up front. He said it would depend on what the RDA wanted to accomplish.

#7. 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.

#8. 2:54:29 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:*

- RDA Exploration Trip;
- Candy Cane Corner;
- RDA Staff appreciation baskets for Directors Mendenhall and Luke;
- Comments from outgoing Directors Mendenhall and Luke; and
- Scheduling Items.

Mr. Walz reported on the items listed.

#9. Report of the Chair and Vice Chair.

No discussion held.

D. WRITTEN BRIEFINGS

#1. Informational: Update on the Economic Impact of Eccles Theater. *The Board will receive a written briefing about the economic impact of the George S. and Dolores Doré Eccles Theater project in the City. The Eccles Theater, which is operated by the Salt Lake County Division of Arts and Culture, is beginning its fourth season of touring Broadway shows. [View Attachments](#)*

#2. Informational: Redevelopment Agency Semi-annual Property Report - as of December 2019. *The Board will receive a written briefing of all Tier 1 and Tier 2 properties owned by the RDA, as per the Land Disposition Policy. The report includes the description, address, parcel ID, size, zoning and tier category of each property. In addition, the report details approximate acquisition date, current category of disposition, interim use and proposed permanent use for each property. [View Attachments](#)*

No discussion held.

MINUTES OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY SPECIAL MEETING

TUESDAY, DECEMBER 10, 2019

E. CONSENT

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.

The meeting adjourned at 3:03 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 meeting held December 10, 2019.

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