

RIVERDALE CITY RDA BOARD

CIVIC CENTER - 4600 S. WEBER RIVER DR.

Tuesday, April 5, 2022

Board Meeting (Time approximate following City Council meeting which starts at 6:00 p.m.)

A. Welcome & Roll Call

B. Public Comment

(This is an opportunity to address the Riverdale Redevelopment Agency regarding your concerns or ideas. Please try to limit your comments to three minutes.)

C. Presentations & Reports

1. Discussion regarding RDA funding request for property located at approximately 4142 South Riverdale Road, Riverdale, Utah 84405; as requested by H&P Investments, LLC.

D. Consent Items

Consideration to approve minutes from March 15, 2022 RDA Board Meeting.

E. Action Items

F. Comments

G. Adjournment

In compliance with the Americans with Disabilities Act, persons in need of special accommodation should contact the City Offices (801) 394-5541 X 1232 at least 48 hours in advance of the meeting. The Public is invited to attend City Council Meetings.

Certificate of Posting

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted on this 1st day of April, 2022 at the following places: 1)the Riverdale City Hall Noticing Board, 2) the Riverdale City Website at <http://www.riverdalecity.com/>, 3) the Public Notice Website: <http://www.utah.gov/pmn/index.html>, 4) the Standard-Examiner via email.

Michelle Marigoni
Riverdale City Recorder

The RDA meeting on April 5, 2022 is viewable and will be conducted electronically and may be accessed by clicking on the link below. The regular City Council Chambers will be available for in person participation with recommended social distancing followed. The agenda for the meeting is also attached above.

https://www.youtube.com/channel/UCegcYe-pIXSRZGd5llencvA/videos?view_as=subscriber

Minutes of the Regular Meeting of the Riverdale City RDA (Redevelopment Agency) held Tuesday, March 15, 2022 held after the Regular City Council Meeting, at the Civic Center, 4600 S Weber River Dr., Riverdale City, Weber County, Utah.

Present: Board Members: Braden Mitchell, RDA Chairman
Alan Arnold
Bart Stevens
Steve Hilton
Anne Hansen
Karina Merrill

City Employees: Steve Brooks, RDA Executive Director
Mike Eggett, Community Development
Jared Sholly, Fire Chief
Scott Brenkman, Police Chief
Shawn Douglas, Public Works
Michelle Marigoni, City Recorder

Visitors:

A. Welcome & Roll Call

The RDA Board work session began at 5:44 p.m.

B. Public Comment

There were no public comments.

C. Presentations and Reports

Discussion regarding proposed West Bench RDA Participation Agreement with Riverdale Commercial Holdings, LLC.

Mr. Brooks explained this is to get some direction from the board and that this has been in the works for a long time. He said the staff have some concerns and don't currently feel like it is where it needs to be and explained that the developer has invested some money already, but that the city and developer are not in agreement on the money part of it.

Ms. Hansen asked about the closed session; Mr. Brooks said the closed session could happen but only as far as the land goes.

Mr. Mitchell reminded the board it is their responsibility to make sure the increment is used wisely, as they have been entrusted to do the responsible things and do what is best for the residents.

Mr. Hilton asked about Mr. Heaps' presentation and confirmed that there were no decisions to be made at tonight's meeting. Mr. Mitchell noted the RDA must be triggered by 2025 or it will expire.

D. Consent Items

E. Action Items

Closed Executive Session pursuant to UCA 52-4-205 (d) and (e): Purchase, exchange, or lease of real property.

F. Comments

G. Adjournment

MOTION: Having no further business to discuss, the work meeting was adjourned at 5:53 p.m.

Braden Mitchell, Chairman

Michelle Marigoni, City Recorder

Date Approved:

Minutes of the Regular Meeting of the Riverdale City RDA (Redevelopment Agency) held Tuesday, March 15, 2022 held after the Regular City Council Meeting, at the Civic Center, 4600 S Weber River Dr., Riverdale City, Weber County, Utah.

Present:

Board Members: Braden Mitchell, RDA Chairman
Alan Arnold
Bart Stevens
Steve Hilton
Anne Hansen
Karina Merrill

City Employees: Steve Brooks, RDA Executive Director
Mike Eggett, Community Development
Cody Cardon, Business Administration
Jared Sholly, Fire Chief
Scott Brenkman, Police Chief
Shawn Douglas, Public Works
Michelle Marigoni, City Recorder

Visitors: Ted Heap Jake Tate Adam Long Larry Hansen
Paul Willie Cody Dieter

A. Welcome & Roll Call

The RDA Board meeting began at 7:23 p.m. Mr. Mitchell called the meeting to order and welcomed all in attendance and stated for the record that all board members were present.

B. Public Comment

Larry Hansen, former City Administrator and RDA Executive Director, addressed the board and said he worked on the West Bench project from the late 70's to 2005. He gave a full history of the West Bench RDA Project Area, which was created in 2005. He said the project had no funding available until 2012, which was a challenge to secure. He stated it sits between two freeways and is a prime area for appropriate redevelopment. An extension in 2019 allowed it to be triggered until 2025. He said many proposals came and went, and, assuming Maverik is completed in 2022, the property value will be reassessed in 2023, which will trigger the flow of increment to the project area. He predicted the value will grow, and said it was estimated at 9 million back then. He said the developers are held to standards such as completion dates in order to have the increment distributed.

He said the RDA Housing Loan Fund went to the West Bench so RMP could build a substation on the highest point in the city. The RDA purchased property and negotiated a land swap with RMP, and that land is requested from the developer in addition to the entire increment. He said he does not feel it is advisable to give the entire increment to this developer when there is still potential for the properties. He said there needs to be careful consideration as to where the money goes, and said he thinks it should go to the housing fund. He asked the board to be very careful and make sure decisions are made in the best interest of the 9000 residents.

C. Presentations and Reports

Discussion regarding proposed West Bench RDA Participation Agreement with Riverdale Commercial Holdings, LLC.

Mr. Ted Heap approached the board and gave an introduction about the project. He then turned the time over to Jake Tate with AWA, who presented a PowerPoint slideshow. Cody Dieter continued the presentation, which was concluded by Jake Tate.

Mr. Stevens asked for an explanation of the triggering event. Adam Long answered that this is the date the agency starts taking the increment. The last date for this is January 1, 2025. It is not a development deadline. Ms. Hansen asked if the agency could trigger it at any time before 2025 regardless of the status of the development agreement. Mr. Long answered that yes, it could be triggered, and the agency can begin collecting the increment based on the development that is already completed.

Ms. Hansen asked if the increment was earmarked for infrastructure. Mr. Long and Mr. Brooks explained it was a priority, but it could go to other things. Mr. Cardon clarified the \$1,020,000 amount is what the RDA is in the hole and needs to go back to the RDA housing fund.

Mr. Larry Hansen said he has seen proposals come and go, though none to the depth this one has gone. He said there is truth to the infrastructure improvement needs. He said the engineering and infrastructure work appears to be good. He feels the distribution component makes sense with the way things have been going. He said the appraisal on the 5 acres seems low, as he had an offer of 1 million in the past. The developer should be expected to front the money and then be reimbursed based on an agreement to supplement the profits on their venture. The RDA helps many who are unable to pay for improvements, so the money should go back into the fund.

In summary, he said, it was a good presentation in his opinion. He said he wouldn't necessarily endorse the proposal, but possibly with vetting to make sure it benefits the residents.

Mr. Arnold remarked this is the first time a developer has made any progress in the area and put in any funds.

Mr. Brooks explained there are some concerns and philosophical differences regarding where the money should go. Mayor Mitchell said Mr. Heap knows he and the city are in different places, but that he wants to find a middle ground.

Mr. Cardon talked about contingencies and said the earth work doesn't benefit anyone but the development, so it shouldn't be funded by the RDA. He asked if the soft costs should be covered by the RDA, as much of the cost is for engineering, paying their attorneys, and more. He presented an analysis of proposed costs and said he'd rather decide up front if they would be paid or not and would prefer to have an invoice from RMP.

Mr. Douglas agreed with Mr. Cardon on the issues being with earth work and contingencies. Mr. Tate said while it is true that the earth work benefits only the project, it is necessary to develop the area due to the slope on the area. He explained why they wanted the contingencies there, as change orders can happen and costs can change. Mr. Heap said this also doesn't account for any of the interest that will be paid by the developer.

There was further general discussion about the costs, infrastructure.

Ms. Hansen emphasized that the property was not left unused or unwanted for 45 years, but that there were families who chose to live there for many years, and they should not be discounted.

Mr. Arnold asked Mr. Douglas if he is happy with the project as presented and if he would feel comfortable writing the check for the 9 million. He said the solutions for the sewer and water are good and that Mr. Tate did a great job figuring that out. He is not in favor of contingencies or paying for anything that only benefits their project.

Mr. Brooks said he agrees with some of Mr. Hansen's comments. He said the RDA money should be used as "seed money" to make the area better. It is not project money. There are still properties that need to be developed, which will need funds to attract developers. Any future development would have no incentive. The funds should be for the entire area, not just one project, and this project does not improve the entire area. He noted 6.1 to 1 is a good ration for developer to RDA funds, which is far below what Mr. Heap is asking. If the entire fund is used, the rest of the area will not be developed. The quote from RMP for moving the transmission lines is necessary to finish the agreement, as it is only an estimate at this point. He said utilities and power lines are the priorities for the city. Though the earth work and landscaping could fit, he doesn't feel like it should be used for that.

Mr. Heap argued they would be spending 50 mil, funding the RDA, and fronting all the money for the project. The costs have changed significantly, and the full amount is what is necessary for the project. If the full amount is not granted, there is no project. He is also worried about the contingencies. He feels putting in all of the infrastructure is worth the full amount. He is concerned that some of the items discussed are a surprise tonight.

Mr. Brooks said the RDA needs to look at the entire project.

Mayor Mitchell asked if the contingencies were removed, if Mr. Cardon would be okay with it. Mr. Cardon said he doesn't like the contingencies and there should be a list of items to be paid out as they are completed.

Mr. Arnold said he thinks the issue is really the "contingency" and "soft costs" and that it's not worth nitpicking, as the 9 million amount was established in 2005 and costs are continuing to go up. 9 million was close in 2005.

D. Consent Items

E. Action Items

Closed Executive Session pursuant to UCA 52-4-205 (d) and (e): Purchase, exchange, or lease of real property.

Ms. Hansen moved to go into closed session. Mr. Hilton seconded the motion.

Board members were polled and all voted in favor.
The RDA Board entered the closed session 9:13 p.m.

Motion to come out of closed session:

Mr. Hilton moved to exit the closed session. Ms. Hansen seconded the motion. The closed session was adjourned at 10:02 pm.

F. Comments

G. Adjournment

MOTION: Having no further business to discuss, Ms. Hansen made a motion to adjourn. The motion was seconded by Mrs. Merrill, all voted in favor. The meeting was adjourned at 10:02 p.m.

Braden Mitchell, Chairman

Michelle Marigoni, City Recorder

Date Approved:



RDA Board of Riverdale City Executive Summary

For the RDA Board meeting on: 4-5-2022

Petitioner: *H&P Investments Group*
Represented by Kord Cutrubus and Troy Cutrubus

Summary of Proposed Action

H&P Investments, LLC has submitted a request for RDA funds to assist in the redevelopment of the old Farmers Insurance building site located at approximately 4142 South Riverdale Road here in the City. Attached with this summary is the supporting information and financial information regarding this request for a new Shake Shack restaurant proposal use on this site. In order to accomplish redevelopment of this site, H&P Investments is requesting RDA funds assistance from the 550 West RDA project area budget and potentially supplementary funds (if available) from the Riverdale Road RDA project area budget, depending on how those funds being used would be of benefit to the Riverdale Road RDA area (which is located adjacent to this property).

As represented in the attached documentation, H&P Investments, LLC is requesting approximately \$88,000.00 for demolition costs associated with the old Farmers Insurance building and approximately \$321,900.00 for other associated tenant improvement costs associated with getting the actual property site set and available for Shake Shack development of the site.

H&P Investments, LLC representatives will be at the meeting to present the RDA funds assistance request and thereafter answer questions the RDA Board may have in association with this request. This will be a discussion item only at this point and RDA staff will thereafter act accordingly, based on direction provided from the RDA Board during the meeting.

Legal Comments – City Attorney

Steve Brooks, Attorney

Financial Comments – Administrative Services Director

Cody Cardon, Administrative
Services Director

Administrative Comments – City Administrator/RDA Executive Director

Steve Brooks, City
Administrator/RDA Executive
Director

H & P INVESTMENTS

892 W. Riverdale Road
Riverdale, Utah 84405

RE: Proposed Development
4142 Riverdale Rd. (Farmers Building Site)
Applicant/Project Owner: H&P Investments LLC

April 6, 2022

Redevelopment Agency of Riverdale City
4600 S. Weber River Drive
Riverdale, Utah 84405

Dear Board Members:

It is our pleasure to submit this letter of intent to the redevelopment agency in pursuit of approval for available funds for the property that exists within the redevelopment boundaries. The property proposed for redevelopment is the 1.21 acre (52,707 square feet) parcel, in the City of Riverdale at 4142 Riverdale Rd. (Parcel # 06-031-0051), currently owned by H&P Investments LLC. This property falls within the boundaries of the 550 W. RDA project area as well as geographically falling within the Riverdale Road RDA project area.

Project Summary

The project consists of a newly constructed Shake Shack restaurant, the first of this brand being built north of Murray, Utah. The new building will be approximately 4000 square feet with a modern architectural design used exclusively by Shake Shack. The facility will have two queuing lanes for double drive-thru pickup, a dining room and patio dining area with an occupancy of approximately 100 customers.

Existing Site Conditions

Currently zoned commercial, the property was home to Farmers Insurance Claims offices. It is bordered by Riverdale Road to the West, the newly constructed 550 W. Street (Branz Way) to the South, the GreenHill apartment complex to the East, and the John Paras furniture building to the North. The site has been vacant for the last several years.

Project Layout

The Riverdale Road frontage of the property will consist of a newly constructed Shake Shack restaurant, that will be built with a very modern façade that is exclusive to the brand identity of Shake Shack. This will not be a generic building that any restaurant could occupy. Shake Shack is a rare example of a

restaurant chain whose brand awareness and recognition exceeds its **size** and sales base. It will be configured with its drive thru lanes to the North, with queuing for the drive thru extending along the Northern property line eastward to the back of the property. The patio dining area will be along the North side of the building and wrapping around the east end of the building. See Site Plan (Exhibit 1) and sample building elevation (Exhibit 2).

Project Objectives and Benefits

The project will benefit Riverdale City in the following ways:

- Increase annual real estate taxes generated by this property an estimated \$13,100.00
- Increase Sales Tax revenue by an estimated \$337,500.00
- Add approximately 4000 sq. ft. of new brand exclusive commercial space on Riverdale Rd.
- Provide additional employment opportunities in Riverdale.
- Offer a new and unique dining experience at a national chain restaurant that does currently have a presence anywhere north of Murray, Utah.
- Provide an additional patio dining experience in Riverdale.
- Provide our community with new residents and visitors that will work and shop in Riverdale City.
- Continue the redevelopment of the east side Riverdale Road between 550 W. and 300 W.

This project will continue to invigorate the expansion of retail sales and dining choices in Riverdale, while creating construction and long-term employment opportunities.

Project Specifics

<u>Location:</u>	4142 Riverdale Rd.
<u>Redevelopment Project Size:</u>	1.21 acres
<u>Start Construction:</u>	Approximately July, 2022
<u>Type of Building:</u>	Modern eatery with dual drive thru with indoor and patio dining.
<u>Tax Increments:</u>	Current Real Estate Taxes - \$7,100.00 Estimated New Real Estate Taxes - \$19754.00 Current Sales Tax Generated \$ 0 Estimated Sales tax Generation \$ \$335,250.00
New Site Access:	3 Entrances off Branz Way.
Vehicle Parking:	Approximately 75 vehicle parking spaces

Estimated Redevelopment Costs

Demolition of Existing Structure (old Farmers Building)

Estimated Cost: **\$88,000.00**

- Governmental permitting
- Perform an Asbestos, Lead, and Hazardous Materials survey.
- Environmental Site Assessment.
- Disconnect all existing utilities
- Reconfigure utilities for new development
- Remove existing asphalt / sidewalk / curbing adjacent to existing structure
- Remove footings, foundation, and slab
- Remove trees and existing landscaping adjacent to building.
- Remediate Hazardous Materials including asbestos and lead.
- Health impact remediation.
- Removal of existing signage
- Dust Control during demolition to control the friability of the materials
- Disposal fees from all demolition activities
- Special disposal fees for Hazardous material remediation.
- SWPP – permitting and monitoring

As part of the enticement to bring Shake Shack to Riverdale, they have requested **\$300,000.00** in Tenant Improvement Allowances for the initial costs to improve the property before construction, to include:

• Removal of existing asphalt, central landscaping stone and grass area and disposal of all materials (@43000 SF)	est.*	\$ 37,200
• Removal, disposal, and replacement of perimeter curb and gutter (@170 ft)	est.*	\$ 29,800
• Removal of southern ingress/egress from Riverdale Road. / Replace curb and gutter	est.*	\$ 8,100
• Excavate export material and disposal	est.*	\$ 24,000
• Grading and earthwork to meet grade requirements for Riverdale Rd., Branz Way, John Paras., Adjacent Apartment building (@50,000 SF)	est.*	\$ 36,500
• Import of material and compaction (@43000 SF)	est.*	\$ 44,500
• Re-routing and connection of new underground utilities from Branz Way	est.*	\$ 26,100
• Removal of two existing ingress/egress drives from Branz Way	est.*	\$ 14,600
• Construction of three ingress/egress drives onto Branz Way	est.*	\$ 29,500
• Landscaping along Riverdale Rd.	est.*	\$ 27,900
• Landscaping and landscaping islands along Branz Way	est.*	\$ 24,600
• Overall site preparation	est.*	\$ 19,100
		\$ 321,900.00

This estimate would be the minimal improvements to the site. The Tenant may perform additional improvements at their discretion.

* Estimates as of March 15, 2022 – based on site conditions observed by the property owner. The Tenant improvements will be spent by the Tenant at the Tenant’s discretion.



SHAKE SHACK

BURGERS FROZEN CUSTARD FRIES SHAKES HOT DOGS CONCRETES BURGERS HOT DOGS

