



**REDEVELOPMENT
AGENCY**

MEMBERS:

LEANNE HUFF
COREY THOMAS
SHARLA BYNUM
PORTIA MILA
SHANE SIWIK
NATALIE PINKNEY
CLARISSA WILLIAMS

**EXECUTIVE
DIRECTOR**

CHERIE WOOD

220 E MORRIS AVE
SUITE 200
SOUTH SALT LAKE
UTAH
84115
P 801.483.6027
F 801.464.6770
SSLC.GOV

**City of South Salt Lake Redevelopment Agency
AGENDA**

Public notice is hereby given that the City of South Salt Lake Redevelopment Agency will hold a meeting on **Wednesday, March 23, 2022**, in the City Council Chambers, 220 East Morris Avenue, Suite 200, commencing at **5:45 p.m.**, or as soon thereafter as possible.

Conducting: Portia Mila

Opening Ceremonies

1. Roll Call

Meeting Minutes

January 12, 2022

No Action Comments

1. Bills, Claims, and Communications
2. Report of the Executive Director

New Business

1. Review of the proposed project area amendment to the Central Pointe URA project area
2. Project Update
3. Review and discussion regarding Opportunity Zones
4. Review and discussion of HB 151, SB 140

Motion for Closed Meeting

Adjourn

Posted March 18, 2022

In accordance with State Statute and RDA Board policy, one or more Board Members may be participating via speakerphone.

Those needing auxiliary communicative aids or other services for this meeting should contact Craig Burton at 801-483-6027, giving at least 24 hours' notice

Date/Time/Place	Wednesday, March 23, 2022 5:45 p.m. 220 East Morris Avenue #200 South Salt Lake, Utah 84115
Conducting	Portia Mila

Sharla Bynum, LeAnne Huff, Portia Mila, Natalie Pinkney,
Shane Siwik, Corey Thomas and Clarissa Williams

Mayor Cherie Wood
Charee Peck, Chief of Staff
Josh Collins, City Attorney
Randy Sant, Economic Development Consultant
Crystal Makin, Finance Director
Alex White, Community Development Director
Sean Lewis, Deputy Community Development Director
Sharen Hauri, Neighborhoods Director
Craig Burton, City Recorder
Ariel Andrus, Deputy City Recorder

Opening Ceremonies

- 1. Roll Call.** All Board Members present.

January 12, 2022. Director Pinkney moved to approve these minutes.

Bynum	Yes
Huff	Yes
Mila	Yes
Pinkney	Yes
Siwik	Yes
Thomas	Yes
Williams	Yes

No Action Comments.

1. Bills, Claims, and Communications. None.

2. Report of the Executive Director. None.

New Business

- 1. Review of the proposed project area amendment to the Central Pointe URA project area.** Economic Development Consultant, Randy Sant, reported that staff wants to shrink this project by about sixty percent with twelve projects currently slated for it. Salt Lake County agreed with this decision. There is the possibility they will come back and create smaller project areas for other projects that are outside the new amended area.

This makes the budget more manageable and gives them a better idea of what they would use the tax increment for. They may be able to do a rent subsidy with the tax increment to help developers rent those units with better rates to meet affordable housing. They can put a budget together that is based on real numbers they think Salt Lake County and Granite School District can support.

Mr. Sant reviewed the process to amend the project area.

Community Development Director, Alex White, clarified that there are currently eight proposed developments outside of the amended project area. These projects are not single buildings. Some cover blocks and will have their own project area.

The Board did not have any objections to shrinking the development.

- 2. Project Update.** Mr. Sant gave an update of current projects that are underway with the Board. He reported on the area west of R.C. Willey, the Central Valley Reclamation property, and the Boyer property on State Street.
- 3. Review and discussion regarding Opportunity Zones.** Mr. Sant reviewed a presentation regarding opportunity zones with the Board. A copy is attached and incorporated by this reference.
- 4. Review and discussion of HB151, SB140.** Mr. Sant reviewed a presentation of these bills with the Board. A copy is attached and incorporated by this reference.

Director Huff made a motion to adjourn.

MOTION: LeAnne Huff
SECOND: Sharla Bynum

Voice Vote:

Bynum	Yes
Huff	Yes
Mila	Yes
Pinkney	Yes
Siwik	Yes
Thomas	Yes
Williams	Yes

The meeting adjourned at 6:52 p.m.



Portia Mila, RDA Chair



Craig D. Burton, RDA Secretary

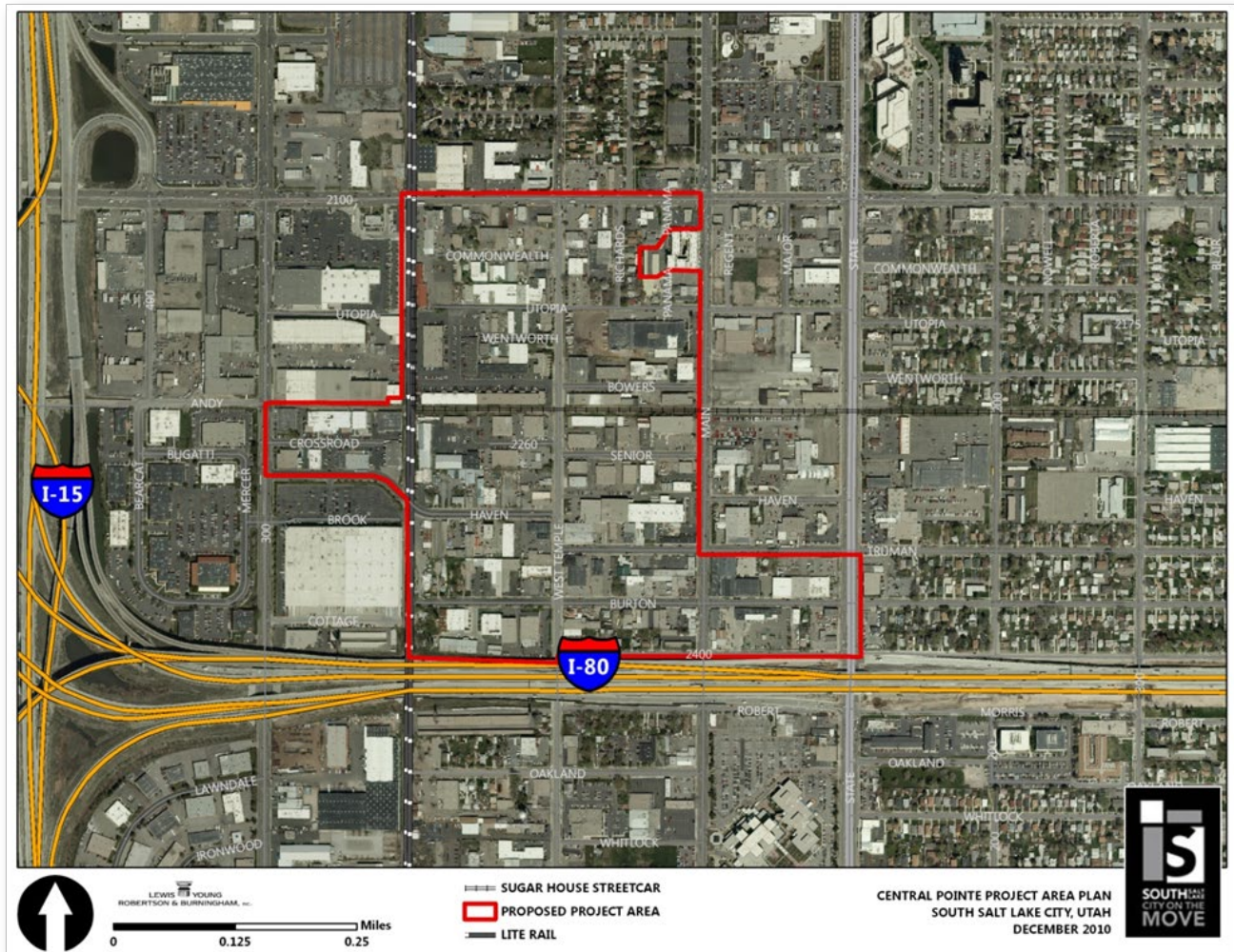
RDA MEETING
LIST OF ATTENDEES

REPRESENTING

CITY JOURNAL

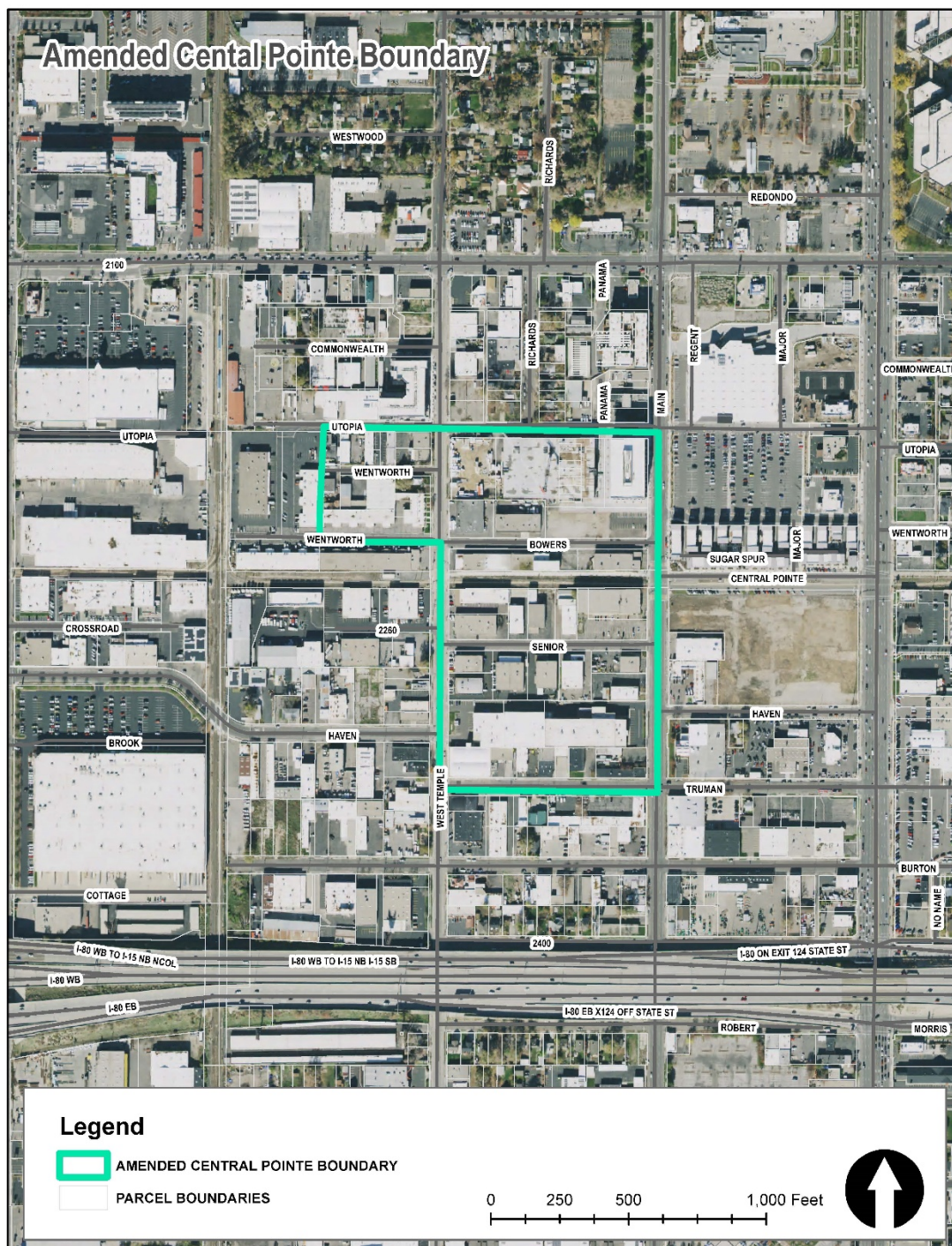
PROPOSED CENTRAL POINT URA AMENDED MAP

ORIGINAL PROJECT AREA MAP - 2010





PROPOSED PROJECT AREA MAP – 2022



OPPORTUNITY ZONES



SOUTH SALT LAKE RDA

MARCH 23, 2022

BACKGROUND

- 2017 Congress passed the “Tax Cuts and Jobs Act”.
- ”Investing in Opportunity Act” was included in the bill.
- Act allowed the CEO of the State to designate low-income census tracts to become Opportunity Zones.
- June 2018, **8,748** Opportunity Zones were approved in all 50 States
- 46 Opportunity Zones were approved in Utah
- 2 Census tracts identified in South Salt Lake (49035111500 & 49035111600)
- Everything west of State Street , 2100- 3900 South

WHAT IS AN OPPORTUNITY ZONE

- An Economically distressed area within a community where new investment, under certain conditions , may be eligible for preferential tax treatment.
- It is an Economic Development Tool designed to spur Economic Development (private investment ,new job growth) in under-invested lower income communities, that are not capable of attracting private investment on their own

HOW DO OPPORTUNITY ZONES SPUR ECONOMIC DEVELOPMENT

- By providing Tax Incentives for investors who invest new capital within a Qualified Opportunity Zone Fund, and those funds are used to develop projects within a Designated Opportunity Zone
- The capital that is invested are capital gains funds from the investors
- In 2017 there were **6.1 trillion** of unrealized capital gains funds
- In 2018 there were **716 billion** in realized capital gains on tax returns
- The Capital Gains are invested in qualified Opportunity Zone funds

WHAT ARE QUALIFIED OPPORTUNITY ZONE FUNDS

- US Tax Code defines a Qualified Opportunity Zone Fund as an investment vehicle that invests in qualified opportunity zone property
- Opportunity Zone Property can either be an Opportunity Zoned Business or an Opportunity Zoned Business Property
- Put another way an Opportunity Fund has two options for its use of the invested funds: It can invest in an Opportunity Zone Business that holds tangible property within the Opportunity Zone, or it can become a Opportunity Zone Business by investing directly in tangible property within Opportunity Zones

OPPORTUNITY ZONE FUNDS CONT.

- In either funding option the following process is required;
- All property purchased or invested in must happen after December 31,2017
- All acquired property must be substantially improved
- Development on the property can be anything, except for “sin” businesses identified in the Act (private & commercial golf courses, country club developments, gambling facilities, massage parlors, hot tub facilities, suntan facilities, liquor stores)

WHAT ARE THE TAX ADVAANTAGES FOR OPPORTUNITY ZONE INVESTING

Three types of tax advantages were created for any capital gains invested in a Qualified Opportunity Zone Fund

- 1- Deferment of the capital gains investment until December 31, 2026
- 2- 10 percent reduction on the original capital investment if held in the fund for 5-years, and a 15 percent reduction if held in the fund for 7-years
- 3-Elimination of any capital gains tax on any increased appreciation from the fund if the investment is held in the fund for 10 years.

EXAMPLE OF THE TAX ADVANTAGE

- Capital gains investment is \$100,000 on Dec. 31, 2018
- No Capital gains is due on the investment until Dec.31,2026
- Investment will “step-up” Twice during the period of Dec.31 2018- 2026
- First step-up will be in on the 5-year anniversary date (Dec.31,2023), which results in a 10% reduction of the original capital gains (\$90,000)
- Second step-up will be on the 7-year anniversary date (Dec.31,2025), which results in an additional 5% reduction of the original capital gains (\$85,000)
- Capital gains tax due is now calculated on \$85,000 not \$100,000, assuming a 20% tax bracket, the capital gains owed drops from \$20,000 to \$17,000

EXAMPLE OF THE TAX ADVANTAGE

- If invested for 10-years, and assuming the investment in the fund doubled at the time of its sale or closure, an increased of \$100,000, no capital gains tax is assessed on the \$100,000 increase. The capital gains due is only on the original \$100,000 investment, so the capital gains due is reduced from \$40,000 to \$17,000.
- The significant savings becomes the catalyst for investment of any capital gains
- Funds range from \$25,000- to 500 million for investors

HB 151 RETAIL INCENTIVES & SB 140 HTRZ

SOUTH SALT LAKE
RDA



PURPOSE OF THE BILL

**-PROHIBITS A PUBLIC ENTITY FROM MAKING OR ENTERING INTO AN AGREEMENT TO
MAKE INCENTIVE PAYMENTS TO RETAIL FACILITIES AFTER JULY 1,2022**

CREATES SECTION 11-43-103 IN THE UTAH CODE

KEY DEFINITIONS IN THE BILL

PUBLIC INFRASTRUCTURE: Public infrastructure included as part of an infrastructure master plan related to a general plan

SMALL BUSINESS: A business of fewer than 30 full-time equivalent employees, and the principal office is in the State, it does not include franchisee, dealer. A subsidiary or affiliate of another business entity that is not small business

KEY DEFINITIONS CONT

RETAIL FACILITY PAYMENT DOES NOT INCLUDE A PAYMENT OF PUBLIC FUNDS FOR:

- (1) THE DEVELOPMENT, CONSTRUCTION, RENOVATION, OR OPERATION OF PUBLIC INFRASTRUCTURE, A STRUCTURE PARKING FACILITY**
- (2) THE DEMOLITION OF AN EXISTING FACILITY**
- (3) ASSISTANCE TO A STATE OR LOCAL MAIN STREET PROGRAM OR HISTORICAL PRESERVATION PROGRAM**
- (4) ENVIRONMENTAL MITIGATION OR SANITATION, IF DETERMINED BY A STATE OR FEDERAL AGENCY**

KEY REQUIREMENTS OF THE BILL

- 1- No retail incentive can be offered, or an agreement entered for a retail incentive after July 1,2022
- 2- A retail incentive payment can be offered after July 1,2022 for the following :
 - (a) a retail facility located within a census tract in which more than 51 percent of the residents have a household income at or below 70 percent of the county median income
 - (b) a retail facility included in a mixed-use development in which the development includes one housing unit for every 1250 square feet of retail space and at least 10 percent of the new or proposed housing units within the development qualify as moderate-income housing, in accordance with the moderate income housing plan of the city
 - (c) retail facility has a gross sales floor area of no more than 20,000 square and no other retail facility of more than 20,000 square feet is located within the same development

KEY REQUIREMENTS OF THE BILL

- (d) A retail incentive for a small business as defined in the bill
- (e) A retail incentive for a Utah based non-profit arts or cultural organization

REPORTING REQUIREMENTS

Any retail incentive given after July 1, 2022, is required to be reported to GOEO.

The report is required to include the following information

- (i) Description of each retail facility payment that the public entity made during the fiscal year, including :
 - (A) the type of retail facility incentive payment;
 - (B) the date on which the retail facility payment was made;
 - (C) identification of the recipient of the retail facility incentive payment;
- (ii) including any other information requested by GOEO
- (iii) be in a form prescribed by the GOEO

REPORTING REQUIREMENTS

Reporting of the retail facility payment is required to be submitted on or before June 30
In which the retail facility payment is made.

GOEO reviews the submitted report to determine if the retail facility incentive payment is in
Compliance with Section 11-41-103

After GOEO review, a letter is sent to the public entity informing them the GOEO decision
On the incentive (compliant or in violation)

REPORTING REQUIREMENTS

If GOEO determines the retail facility incentive payment is in violation of Section 11-41-103, the letter written notice shall include a statement in reasonable detail of how GOEO determined the violation, and the explanation of the public entity's right to appeal, and a statement that the notice may be sent to the State Auditor

Appeal must be filed within 30 days after the day on which the notice was sent from GOEO, including a statement that details each objection to the determination of violation

Executive Director of GOEO shall meet within 90-days of receipt of the appeal with the public entity to review and discuss the objections

REPORTING REQUIREMENTS

Within 30 days after the date of the meeting , a written decision that upholds or rescinds the determination of violation is issued and sent to the public entity.

If violation has been determined, the public entity is required to make efforts to recoup the amount of public funds lost, within 90 days after the day the determination of violation is upheld

Beginning July 1, 2024, GOEO may send a written notice to the state auditor for the purpose of initiating an audit or investigation, if the determination is not appealed, or efforts have not been undertaken to collect the funds

GOEO is also authorized to make rules to implement the reporting requirements

SB 140 HOUSING TRANSIT REINVESTMENT ZONES

PURPOSE OF THE BILL: Allows for the creation of a Housing and Transit Reinvestment Zone along light rail stations, s-line, and bus rapid transit stations.

EFFECTIVE DATE: July 1, 2022

REQUIREMENTS FOR HTRZ

Bill requires that a proposal be prepared and submitted to the GOEO for review and selection as a HTRZ.

Proposal must demonstrate that it can meet the goals and objectives established for HTRZ, which include:

- 1-Higher utilization of public transit**
- 2-increased availability of housing, including affordable housing**
- 3-conservation of water resources, through efficient land uses**
- 4-improving air quality, by reducing fuel consumption by reducing trips**

REQUIREMENTS

The bill requires that at least 10% of the housing dwelling units within the HTRZ be low moderate dwelling units, unless the area proposed for the HTRZ has a median income that is 60% of the HUD defined income for the city or county

The bill requires that 51% of the developable area of the HTRZ, includes residential dwellings, and the average density is 50 dwelling units per acre

The bill requires for a mix of dwelling units, to ensure a reasonable percentage of the dwelling units have more than one-bedroom

REQUIREMENTS

HTRZ starts at the train station, and can extend 1/3 mile from the platform, unless it is a master planned area of 500 acres or more, the radius can be ½ mile.

The bill requires the proposal to be sent to GOEO include the following information:

- 1-Demonstrates that the proposed HTRZ meets the defined objectives
- 2-Explain how the city will achieve the requirements
- 3-Defines the boundaries of the HTRZ
- 4-Describes the development plan for the area
- 5-Budget for the development

REQUIREMENTS

6-Identify any development impediments

7-Impact on parking within the HTRZ

8-Provides a gap analysis

9-statement that the area of the HTRZ is zoned to allow for the proposed development

Proposal is sent to GOEO for review, with an application fee of \$20,000, for 3rd party review

BENEFITS OF HTRZ

Allows for the collection of up to 80% of the property tax from each developed parcel for 15 years, within a total period not to exceed 30%

Participation is mandatory for all taxing entities

Affordable Housing is required within the zone

USE OF APPROVED FUNDS

Funds can be used in HTRZ for the following:

- 1-income targeted housing
- 2-structure parking
- 3-enhanced development costs
- 4-property acquisition costs
- 5-construction costs
- 6-1% administration fee.