Roll Call. 2:11:22 PM The following members of the Board of Directors of the Redevelopment Agency of Salt Lake City were present:

Eric Jergensen, Chairperson  
Luke Garrott, Vice Chairperson  
Carlton Christensen, Director  
Søren Simonsen, Director  
JT Martin, Director  
Van Blair Turner, Director  
Jill Remington Love, Director  

Also Present:

Frank Gray, Director Salt Lake City Community and Economic Development  
D.J. Baxter, Executive Director  
Valda Tarbet, Deputy Director  

Others Attending:

Matt Dahl, Project Manager  
Jill Wilkerson-Smith, Project Manager  
Travis Pearce, Property Manager  
Ed Butterfield, Project Coordinator  
Alisia Wixom, Project Coordinator  
Ashlie Taylor, Project Area Specialist  
Brian Roberts, Agency Legal Counsel  
Crayola Berger, Office Manager  
Jennifer Bruno, Salt Lake City Council Office  
Darin Brush, Community Development Corporation of Utah  
John Farmer, Community Development Corporation of Utah  
Sydney Fonnesbeck, Community Development Corporation of Utah  
Jessica Norrie, Artspace  
Jackie Skibine, Artspace  

Chairperson Jergensen commented that Director Martin was in transit to the meeting.
Some items were discussed in an order different from that shown on the agenda. Time stamps on each item indicate when the discussion was held.

2. **2:11:35 PM Briefing by the Staff.**

Executive Director Baxter said that a trip to Portland, Oregon has been scheduled later this month to support the Sugar House Streetcar project. Some Board members have expressed interest in attending. He said attendees will include local business owners, who will pay for their hotel and air fare expenses. He proposed that the Agency utilize Sugar House Streetcar project funds to help cover a dinner presentation, group lunch, and transit passes to and from the airport. Depending upon the number of attendees, he estimated the cost would be approximately $2,000. Director Christensen said he felt if the business owners were willing to invest to make the trip, this expenditure by the Agency was worthwhile and reasonable. Director Love also expressed support, and added that she felt it would also be beneficial to invite media. Director Baxter said the press was invited to the last Portland trip. The Board agreed to this expenditure.

Executive Director Baxter stated that the Agency would be holding a meeting of our Taxing Entities on Thursday, August 13, at 2:00 in room 126 and invited Board members to attend. This meeting is to update the Taxing Entities on the Agency’s current and future projects.

Executive Director Baxter said staff is working to schedule the annual Board retreat. Chairperson Jergensen said the main purpose of the retreat would be to review the things the Agency has been working on and indicated he felt the meeting would not run more than a few hours. Executive Director Baxter suggested Wednesday October 28 or Thursday the 29. Board members asked that the retreat be scheduled Tuesday, October 27.

3. Approval of the Minutes Postponed.

4. **2:17:20 PM Report of the Chief Administrative Officer.**

There was no report of the Chief Administrative Officer.


   A. **2:17:28 PM Consideration and Adoption of Resolution No. 663.01, “Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving an Amendment to the Terms for the Purchase and Sale Agreement with the Community Development Corporation of Utah for the Development of Agency Owned Property Located at 153 West 900 South.”**

Director Simonsen recused himself from the discussion and leaves the meeting.
Mr. Dahl recognized Mr. Darrin Brush with Community Development Corporation of Utah (CDC) who was present to answer any questions.

Director Christensen said he understood the reasons CDC was requesting the extension, and he was sure CDC would move forward with the project as soon as the market warranted doing so. He asked if there was a way for staff to monitor the market.

Executive Director Baxter said he felt this would include monitoring the available inventory and the rate at which similar units were selling. Director Christensen felt there was a risk that there could be other developers interested in the property that may indicate they could move forward immediately. He questioned whether there was anything that could be followed with some independence that would indicate when the market is in a position to warrant moving forward. Occasionally, he said he has received criticism for making extensions because other developers have indicated a desire to move forward on a property.

Mr. Dahl said this issue has been discussed with CDC, but it has been difficult to determine what should trigger that the market is ready. In the West Temple Gateway Area, there are other condominium projects, larger and of similar size, and with different pricing points and floor plans. Staff has been monitoring the sale of these units as an indicator of whether condominiums are moving in the area.

Executive Director Baxter asked if the implication would be that when the Agency determines the market is back that the currently engaged developer would move forward or the Agency would move to a different developer. Director Christensen answered yes. He felt it would be good to develop a standard or criterion that would allow the Agency to determine that the market is ready to warrant moving forward on the project. If, for whatever reason the engaged developer is not ready to move forward, and especially if they are seeking an extension, it could be the indicator that the Agency should ask that the engaged developer begin the development or let it go, especially if another developer has expressed an interest in the parcel.

Executive Director Baxter said staff could look into this and bring back some recommendations.

Vice Chairperson Garrott asked if a one year extension would allow enough time for the market to come back. Chairperson Jergensen asked Mr. Brush to address the Board. Mr. Brush thanked the Board for their consideration and recognized Mr. John Farmer and Ms. Sydney Fonnesbeck with the CDC Board. He stated that the key indicators are the movement in the product in the area and financing. There is one large project in this area that has been auctioned off at pennies on the dollar, so CDC would like to wait for this inventory to clear the market. CDC also monitors financing. CDC hopes to build so that units will hit the market when the market does come back. He said 18 months would be a luxury he hadn’t considered or would even ask for. CDC’s Board has instructed him to revisit this project in six months. Several alternatives have been discussed with Executive Director Baxter and Mr. Dahl, such as lease to own, which is a part of the market that has some traction right now. CDC has also looked at setting aside a number of units and applying for low income tax credits to attract more mixed income buyers. He said he would not turn down an 18 month extension, but wanted to reassure the RDA Board
that this project is something CDC considers every month. His Board is expecting a report in six months that will give them an indication if we are ready to move forward. As you would expect, CDC Board members don’t want us to drag this out, or to taint our relationship with the Agency/City. CDC wants the best project for the City whether we build it or not. In short, 18 months would be very nice, but in the meantime CDC will look at this every month, and in six months we feel a decision will need to be made.

Chairperson Jergensen asked Mr. Dahl how much effort staff expends to present an extension to the Board. Mr. Dahl said the amendment must be drafted and executed. Chairperson Jergensen said that historically, the Agency offered shorter extensions, but requestors had to return to the Board repeatedly for additional time. He felt 12 months was a fair amount of time, and would still allow the Agency to step in if needed. He said he understood Director Christensen’s request to have the Agency monitor the marketing indicators, he felt that typically the Agency would ask the developers to be the experts. He said he was not sure a criterion existed that would indicate when the market really works, or if the Agency has the ability to make that determination. Chairperson Jergensen felt 12 months was a good time period for this extension.

Director Christensen said it seems that within six months CDC will likely have come to an internal decision. Mr. Brush agreed and said that conceivably in six months, CDC will determine if this can happen within 6-12 months. This is a very large project in terms of CDC’s capacity, and it limits other things they can do. He wanted to reassure the RDA Board there is a whole hearted commitment to this project by the CDC Board of directors and staff, as well as some $500,000 equity in the deal. The commitment and the monitoring are there, and CDC will continue to work collaboratively with RDA staff and share the indicators being used to make the determination.

Mr. Dahl clarified that this is a one year extension to close on the property. There are some things, such as the negotiations on the development agreement that will have to be completed prior to the close. CDC has completed construction drawings, but they have not been submitted for permits. In order for us to close within this one year time period, there is a forced point at approximately nine months. Once it is determined the market is right, there is still a lot of work that will need to be completed. He assured the Board that staff will be following this deal carefully before the year is over.

Director Turner asked if, due to the market conditions, the project would change or be downsized. Mr. Brush said he felt it would be built out exactly as planned. As Mr. Dahl mentioned, the construction drawings are completed. He felt the product is even timelier than before because it includes one and two bedroom units, and some two bedroom units with additional flex space. One of the things he discussed the last time he came before the Board was that this is a unique site given it has two pieces that are bisected by the alleyway. CDC considered building out the smaller parcel first and changing the design to smaller units at very low price points. However, the plan didn’t seem to be what we wanted to accomplish together. He said CDC feels very good about both the sizing of the units and the design. Director Turner said he appreciated this discussion, because he felt one of the issues in the West Temple area is many of the units are small and this type of housing is needed in this area.
Director Turner asked how long construction would take. Mr. Brush said their goal is 12 months, with 18 months maximum. He said one bright spot is that construction costs are low at this time, and it would be wonderful to get take advantage of that situation. It fits to his point of being able to seize these opportunities, and as CDC sees the marketing coming back they need move forward. It will be a year before units can be delivered. However, it’s important to point out that the banks have a reservation requirement of at least half of the units. So CDC will need to work on presales ahead of construction.

Director Love made a motion to adopt the resolution granting CDC a one year extension on the purchase and sale agreement. Director Christensen seconded the motion. Director Love said, absent better criteria, the only thing the Agency can do is allow time and keep checking on the situation. Chairperson Jergensen said he felt it would be difficult for the Agency to determine when the market is going to change. He expressed support for the one year extension, and said it should be sufficient time to complete preparatory work and to identify when the market is right. He said he was sensitive to the fact that there are others who would like to bid on this property, but felt CDC has done a good job and that the RDA Board is very supportive of this project.

Upon roll call, Chairperson Jergensen declared the motion unanimously and the resolution was adopted. Directors and Martin Simonsen were not present for the vote.

Director Simonsen returns to the meeting.

B. 2:36:04 PM Consideration and Approval of SNT Enterprises, L.C.’S Request for a Change of Collateral

Director Christensen made a motion to approve the request for change of collateral. Director Simonsen seconded the motion. Upon roll call, Chairperson Jergensen declared the motion unanimously approved. Director Martin was not present for the vote.

C. 2:36:57 PM Consideration and Adoption of Resolution No. 663.02, “Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving the Amended Terms of a Participation and Reimbursement Agreement with Scrap, LLC, for a Proportionate Share of Costs of Architectural and Engineering Fees, and LEED Certification and Registration Fees for the Development of Property Located at 850 South 400 West, Salt Lake City, Utah.”

Chairperson Jergensen recognized Ms. Jessica Norrie with Artspace. Ms. Wilkerson-Smith said Ms. Norrie had renderings and could present an update on the project if the Board so desired. Chairperson Jergensen welcomed Ms. Norrie and asked her to give a brief presentation.

Ms. Norrie said the project is under construction and that costs are actually lower than anticipated. The estimated completion is June 2010. They are on track to receive gold LEED certification, and have submitted the design. She displayed a rendering showing some of the solar elements, stating that the central boiler system is located in the middle of the parking area
and is heated by solar thermal. She added that they have received a letter of intent for a quarter of the commercial space.

Director Christensen said he could not recall when the Granary District project area would sunset and asked if the two year extension would keep this within the time frame. Ms. Wilkerson-Smith answered that the Granary District does not sunset until 2023.

Director Simonsen made a motion to adopt the resolution. Director Turner seconded the motion. Upon roll call, Chairperson Jergensen declared the motion unanimously approved and the resolution was adopted. Director Martin was not present for the vote.

Chairperson Jergensen asked that the Board consider agenda item E. next.

E. 2:41:01 PM Discussion and Motion Regarding Use of Funds Allocated for the Sugar House Streetcar Project.

Executive Director Baxter stated that a number of things recently occurred to put the Streetcar project on a faster track. In short, staff is looking for assistance from the RDA and the City Council to provide funding to allow our consultants to do the work necessary to prepare a federal grant application, as well as the environmental work to make the project eligible for federal funds.

In the next few weeks, staff will be looking for the same funding commitment on the City Council side, as well as a resolution that will go into the Federal Transportation Investment Generating Economic Recovery or TIGER grant application, to assure the US Department of Transportation that both Salt Lake City and South Salt Lake City are committed to the local share of funding required to build the project.

Vice Chairperson Garrott asked if the local share would be the difference between the construction costs and the amount requested from the TIGER funds. Executive Director Baxter answered yes.

Director Christensen said that at this point, South Salt Lake City has been a great partner in this. He asked if they are working on a similar resolution. Executive Director Baxter said they are. And in fact, they have drafted a resolution using the same language. We plan for the two cities to adopt identical resolutions.

Chairperson Jergensen asked, since there is no specified amount in the resolution, if there was an obligation for the cities to accept the TIGER grant in the event it came in at an amount less than expected. Executive Director Baxter answered no. If the grant was made at a small portion of the $40,000,000 construction cost, leaving more than of our cities could undertake, we would be entitled to say the project cannot be done with the proposed grant amount.

Vice Chairperson Garrott felt this would keep the cities from over committing, because the option would be to commit up to a certain amount. Executive Director Baxter said the Board and
Council could also feel comfortable because the work being now will serve us well in seeking additional federal funds under other programs. The programs being considered now are part of the Federal Stimulus, so they are geared toward very rapid deployment and implementation. If we are not one of the lucky recipients of the TIGER grant, there are other ongoing federal transit investment programs under which we would also be qualified.

Director Simonsen commented that he has met with the mayor and some of the Council Members and staff of South Salt Lake City, and they seem very enthusiastic about this project. This was discussed briefly at the Sugar House Merchants Association last week, and there seems to be a lot of enthusiasm in both communities about this project. It’s very encouraging, and it seems this kind of project is going to be well suited for the application we are pursuing.

Director Simonsen made a motion to approve the expenditure of $63,075 from RDA Sugar House Project area funds to fund the completion of a TIGER grant application and the preparation of an environmental assessment for the Sugar House Streetcar project. Director Turner seconded the motion. Upon roll call, Chairperson Jergensen declared the motion unanimously approved. Director Martin was not present for the vote.

**D. 2:46:47 PM Discussion and Approval of Interim Use Strategy for the Wilmington Avenue Property.**

Chairperson Jergensen asked Deputy Director Tarbet to briefly review each of the strategies outlined in the briefing memo. Deputy Director Tarbet said staff provided four different strategies for addressing the Wilmington Avenue property, which includes just over 2 acres and backs onto Hidden Hollow. The first strategy would be to continue placing wood chips on the property at a cost of approximately $7,500 a year, including weed prevention. A secondary strategy could be to landscape the site. The memo included estimates of costs for some alternative landscaping. Staff researched four landscaping options. The first would be to install drought tolerant plantings across the site, which is estimated at as much as $500,000 plus ongoing maintenance. The second would be the installation of a regular sprinkling system, shrubs and trees, which is estimated at approximately same amount plus ongoing maintenance. The third is sod and a sprinkling system, which would cost approximately $200,000 plus ongoing maintenance. The fourth alternative would be to place ornamental rock rather than wood chips, the cost would be approximately $182,000, with little ongoing maintenance other than weed control.

Mr. Gray arrives to the meeting.

Because staff knows the Board is pleased with the community garden at 900 South, cost estimates for a temporary garden were completed for this site as well. In order to bring in the soils and planter boxes, and complete the sprinkling system, the initial start up costs for the entire two acre site would be approximately $800,000, based on the square foot cost from the 900 South parcel.
Deputy Director Tarbet said another suggested use staff has heard for the parcel is a tree farm. She contacted the Urban Forester, who indicated that at this time they have adequate space, although they appreciated the consideration.

The Downtown Alliance was contacted and asked what they felt the cost would be to do a Farmers Market similar to the one in Pioneer Park. They indicated the yearly cost for the market is approximately $250,000 plus staff time.

Director Simonsen asked to share a few thoughts about this site. He has spoken before about the condition of the property, and he felt it would likely be two years until any development will begin to take place. There is not a Community Council meeting and almost never a week that goes by he doesn’t get numerous complaints about this property. As he has said before, he felt the Agency needs to be in the business of cleaning up blight, not perpetuating what unfortunately is probably one of the worst properties in Sugar House right now.

We have thousands of years of history of creating temporary structures, from the tabernacle that the Israelites used to the pioneers that came to this valley and built boweries that were used as schools, churches, and many other things. He felt there are better uses for this site to create an active use rather than putting bark chips down, which no one in the community finds to be satisfactory. The parcel could be landscaped, but as shown in the memo that would be expensive and would likely have to be taken out when the parcel is redeveloped.

Director Simonsen indicated a number of people have met with him and discussed several ideas for this site, some that could become more permanent, but certainly there are opportunities for uses that would be temporary. He said Mr. Jeff White, who has been trying to get some seed money through various programs in the city for some time, would like to create an “artists experience” here using portable structures. This would become a place for artists to produce as well as market their work, although he wasn’t sure of the viability for a short period of time.

Director Simonsen said there are also opportunities for various levels of education. He said he met with a group earlier in the day that discussed some very interesting ideas for which both the Hidden Hollow and this property could be very useful resources, even on a short term basis.

He said he wasn’t sure the best method to approach this, because he felt this is new territory to some degree. He felt if the Agency is open to exploring proposals or ideas from the community, not only for the marketing and long term use, but also for a use of the property in the short term, he would like to be in the business of experimenting with ways to activate places like this and others like it in the city. He felt there should be little to no cost impact on the Agency, but that if a small amount of funding was needed to get this going, these ideas could used in other places around the city. Tent structures, small portable structures, or even a bowery would create elements. He felt there are sources to help partner that won’t cost a lot of money and will be a better use of the site than simply landscaping it.

Deputy Director Tarbet said she did speak with Mr. White regarding the artists’ storage. He indicated they would need a 5-6 year time frame within which to amortize the costs. The Agency
is prepared within the next few weeks to release the request for proposals/qualifications on the property given the Board’s direction from last months’ meeting.

Director Simonsen asked if the Board would review the term sheet of the RFP before it goes out. Deputy Director Tarbet said the term sheet was approved at the last meeting. Director Simonsen recalled there were some recommendations of modifications made at that time, and the Board had not seen the final form. Deputy Director Tarbet said she understood the term sheet was finalized with the direction that the modifications be made. Chairperson Jergensen recalled that some suggestions were made and approved by vote, and staff was given direction to make the changes and move forward with the RFP.

Director Christensen commented that the city recently enforced on a developer who went through a demolition process, and asked to what degree would any of these landscaping options hold the Agency to a similar kind of requirement. Deputy Director Tarbet said that at the time the demolition permits were pulled there was no landscaping requirement. Whatever is done on this site would be above what was required. Director Christensen asked if the Agency were to pull a demolition permit at this time, which of the landscaping options would meet the currently requirements. Deputy Director Tarbet said she didn’t know if there currently is a requirement for landscaping in a Sugar House commercial district.

Mr. Gray stated that this zoning district does not have a requirement. The requirement on the parcel the Director Christensen was referring to was a part of the approval for rezoning the property. The concept was to make it look nice from the outside with a minimal amount of improvement. He said he felt that should be the guideline under which we maintain our own properties rather than what the zoning ordinance requires.

Vice Chairperson Garrott said he felt Director Simonsen is looking at productive uses, not passive or static uses. This is the direction that was taken with the community garden. He is also suggesting generating these ideas from the community themselves, but that is a larger discussion that we could originate and apply here to Wilmington. The Agency has other properties, some that are very large, that should be given this consideration as well. This would be a shift in philosophy if we want to activate these spaces rather than just make them look decent and meet the ordinance requirements.

Director Turner commented that RAC recommended just continuing with the placement of the wood chips. He asked if RAC had the opportunity to hear some of the other suggested uses. Deputy Director Tarbet said RAC received the same memo as was given to the Board, and she also discussed the other two ideas staff heard the community would be interested in.

Mr. Gray said he knew that in a lot of these small business districts employee parking is a real issue. He felt the Board may also want to consider putting in densely rolled crushed granite with a minimal amount of landscaping to make a temporary employee parking area. This could provide support to the business district and allow more parking spaces for customers. From a small business standpoint, employee parking is a critical issue, especially as we get into the
holiday season. He felt it would be possible to apply a dustless surface rather than paving, which would likely be inexpensive and easier for the Agency to maintain in the meantime.

Vice Chairperson Garrott commented that it would not be necessary to do all or nothing. For example, the community garden estimate is based on covering the entire two acres but could be done on only a portion of the site and the remainder could be landscaped, or used in other ways.

Chairperson Jergensen said he would like to go back to some of Director Simonsen’s ideas and look a bit deeper into what kind of activities he would propose for this space. He asked what some of the other suggestions the community has made that might be applied here. Director Simonsen said there has been no shortage of ideas from the community. He said he felt the challenge is how to zero in on the best use. He suggested holding a community brainstorming session to solicit ideas and to come back to the Board next month with one or two formal proposals based on community input.

Director Simonsen said there are entire cultures that are nomadic that use temporary structures to do all kinds of things. He felt if we let ourselves think outside the box, something very creative and positive that will have benefits for the community and businesses can be accomplished. He said he didn’t want this to take a lot of time, because there is a lot of pressure from the community to make something happen now. He felt if there could be some consensus in the next few months that would be acceptable.

Director Martin arrives to the meeting.

Chairperson Jergensen said that temporary structures did not concern him, but temporary activities, especially something that takes place for a year or 18 months, such as parking in a downtown district, becomes expected and people feel entitled to it. Mr. Gray added that when it is taken away, people want to know how it will be replaced.

Director Love suggested that the Board should not drive this effort, the community should. She asked if it would be possible to ask the Community Council to bring some ideas to the Board. She felt this would empower them to be a part of the solution without spending the resources of staff, who are working on the permanent solution for this site. While she felt the public wants to see a solution, they are also concerned about how tax dollars are expended. It may not be appropriate to utilize a lot of resources on something that may be a one or two year use.

Director Simonsen said that is what he had in mind. He said he did not want to take RDA staff resources to do this, and felt that the community is very interested in this and is willing to spend effort on. Director Love suggested formally asking the Community Council to come back to the Board with some recommendations.

Director Christensen said the liked idea of engaging the community, but felt it was important to frame their discussion with the realities of what that use of the property can be based on the zoning. He felt planning should be a part of determining the options of what can be done on the site temporarily.
Chairperson Jergensen suggested that Director Simonsen take the lead with the Sugar House Community Council, and work with the RDA and Planning to put together a discussion that will engage the community in developing a solution. He said he was interested in seeing what they come back with. Director Simonsen said he would be happy to do so.

Chairperson Jergensen suggested that this be returned to the Board at the October meeting. Director Simonsen said he hoped to have something to bring to the Board for the September meeting.

Vice Chairperson Garrott said he feels this is a great idea. There are some impediments, like the uses need to be temporary and there are zoning regulations that need to be followed, but he said it concerned him that there are vacant lots in communities where there once was a use that has been taken it away. This is not RDA property, it is public property. He felt to give something back to the community that might be generated from their input for temporary use is exactly the policy direction the Agency should be headed. This can be couched with the qualifications that it is a temporary use that follows zoning and is not cost prohibitive. He felt the Agency has created blight, and said he would like to reverse that as much as possible.

Chairperson Jergensen said he did not feel the Agency created blight, but is trying to do something about it.


8. Adjournment.

There being no further business Chairperson Jergensen declared the meeting adjourned.

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Eric Jergensen, Chairperson