

DATE: March 8, 2011

ITEM: 8.B.

RE: FLEET BLOCK DEVELOPMENT UPDATE

PROJECT AREA: Granary District

PREPARED BY: Matt Dahl

EXECUTIVE SUMMARY: Salt Lake City is currently in the process of moving its staff and equipment out of its 8.5 acre facility located between 800 South & 900 South and 300 West & 400 West (the "Fleet Block"). Salt Lake City (City) is interested in seeing the Fleet Block redeveloped and has proposed an arrangement by which the Redevelopment Agency of Salt Lake City (RDA) will be the City's lead agency in achieving that goal. Staff will provide the RDA Board with an update on the proposal for the development of the Fleet Block at the meeting.

ANALYSIS AND ISSUES: The Fleet Block provides a unique development opportunity in the Granary District Project Area. The 10-acre block is comprised of the City's 8.5-acre fleet facility and 1.5 acres held by a single private owner. The private property owner has indicated that they are open to coordinating the redevelopment of their property with the redevelopment of the City owned property.

The redevelopment of the Fleet Block has been seen as critical to the success of the Granary District Project Area since the project area was created in 1999. The redevelopment of the Fleet Block has been included in the RDA Board's goals for the Granary District for several years, which has resulted in the allocation of \$240,000 to assist in its development. To further assist in the development of the Fleet Block, the RDA Board requested that it be added to the development strategy being prepared for the West Temple Gateway Project Area by the National Development Council. The strategy, which will be completed this spring, will provide guidance on how to best develop the site through regulatory changes, public infrastructure projects, and marketing the property for private development.

The City has constructed new fleet facilities on the west side of Salt Lake City, which has resulted in the vacation of City personnel and most of its equipment from the Fleet Block. The City would like to pursue the development of the Fleet Block and has asked RDA staff to work with them in this effort. As proposed, the RDA would act as the City's representative in coordinating the predevelopment activities and infrastructure projects, as well as marketing the site for development and negotiating with selected developers. Given the Mayor's authority in the disposition of City owned property, the development of the Fleet Block will not need to follow the RDA's standard process for land disposition. The selection of developers, contract negotiation, and project design approval will be processed by the City's administration with RDA staff assistance. RDA staff will provide the Board with updates on progress made on the

Fleet Block, but Board review and approval will be limited to instances where RDA funds are requested to assist with infrastructure projects or financing of private development on the site. As proposed, the RDA will not seek any compensation from the City for staff time or overhead. As planning for the project progresses staff will determine if a formal agreement is necessary for the reimbursement of direct development costs (e.g., demolition, due diligence, soil remediation) or related issues.

The following is a list of the activities that staff will pursue over the next few months to prepare the site for development:

- 1) Completing the Redevelopment Strategy
- 2) Designating the property surplus land.
- 3) Rezoning (The Fleet Block is currently zoned Public Lands.)
- 4) Developing a demolition and soil remediation strategy.
- 5) Determining RDA financial commitment

Staff will continue to provide the RDA Board with updates as progress is made in the redevelopment of the Fleet Block.

ATTACHMENTS: None