

MINUTES OF THE  
696<sup>th</sup> MEETING OF THE  
BOARD OF DIRECTORS OF THE  
REDEVELOPMENT AGENCY OF SALT LAKE CITY  
Tuesday, May 10, 2011  
451 South State Street, Room 326  
Salt Lake City, Utah  
2:00 pm

1. Roll Call.     [2:12:17 PM](#) The following members of the Board of Directors of the Redevelopment Agency of Salt Lake City were present:

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

Also Present:

David Everitt, Chief of Staff  
Frank Gray, Director Salt Lake City Community and Economic Development  
D.J. Baxter, Executive Director  
Justin Belliveau, Deputy Director

Others Attending:

Matt Dahl, Project Manager  
Jill Wilkerson-Smith, Project Manager  
Travis Pearce, Property Manager  
Ed Butterfield, Project Manager  
Ben Davis, Project Coordinator  
Ashlie Taylor, Project Area Specialist  
Laura Kirwan, Agency Legal Counsel  
Crayola Berger, Office Manager  
Jennifer Bruno, Salt Lake City Council Office  
Patti Bodily Brown, Citizen  
Paul Christenson, Citizen  
LuAnn Clark, Director Salt Lake City Housing and Neighborhood Development  
Chuck Depew, NDC  
Darrin Brush, Community Development Corporation Utah  
Steve Swisher, Garfield, Traub, Swisher

Greg Garfield, Garfield, Traub, Swisher  
Steve Crane, VCBO Architecture  
Bruce Bingham, Hamilton Partners  
Nichole Dunn, Salt Lake County Deputy Mayor  
Philip Jordan, Director, Salt Lake County Center for the Arts  
Ben Logue, Tannach Properties

Some items were considered in an order different than listed on the agenda, time stamps shown indicate when the item was considered.

2. [2:12:39 PM](#) Briefing by the Staff.

Executive Director Baxter stated that a flyer regarding the Granary District Block party had been placed on the dais. He said this event has come about in part due to Ms. Taylor's efforts to get the neighbors better connected and organized in the West Temple Gateway and Granary Districts. Mr. James Alfandre in the neighborhood has also worked hard to generate interest. This event is being held to help brand and market the area. Chairperson Garrott stated that the technique to be used is to create a neighborhood for a day by painting buildings as if they were open and drawing the bike lanes and street furniture to help imagine the way this neighborhood could look. He encouraged Board members to attend the event.

Executive Director Baxter stated that the Gallivan Center is scheduled to re-open soon, the grand opening is scheduled for June 9, and invitations will be sent.

Executive Director Baxter said the Council and RDA Chair and Vice Chairs have asked that the RDA meeting for June be moved to the 7<sup>th</sup>. The Board agreed to this change.

There will be a visioning workshop for the Sugar House Streetcar project this Thursday May 12, which will be led by Marilee Utter with Citiventure, from 6:00 to 8:00 at the Columbus Center in South Salt Lake City he encouraged Board members to attend the workshop. He added that Ms. Utter will be in town for several days, and asked if any Board members would like to meet with her to discuss this work to contact staff to schedule a meeting. The streetcar concept was presented to the Sugar House Community Council last week and was well received.

Executive Director Baxter added that a Citizens Advisory Committee (CAC) has been formed for the Sugar House Streetcar project similar to the one formed for the North Temple project. Some members of the CAC have expressed interest in taking a tour of the Portland Streetcar system and he asked if Board members would support such a tour. Executive Director Baxter stated that in the past, participants have been asked to cover their travel expenses, and the RDA would cover a dinner meeting and luncheon during the tour. He felt the costs would be approximately \$3,000 to \$4,000. The Board agreed to this expenditure.

Executive Director Baxter stated that the Downtown Alliance is taking steps to reinstate the Downtown Living Tour. In association with the Farmers Market on Saturdays, the Alliance will staff a booth on Downtown living. Once a month, this will serve as the starting point for a bus tour that will take individuals through the downtown to visit various downtown living options.

The Alliance has received sponsorships from several groups, including City Creek and Urban Utah Homes, and has asked the RDA for \$2,500 in financial support to help with this tour. The Board agreed to this expenditure.

3. [2:18:47 PM](#) Approval of the Minutes from the Previous Meetings held March 8 and March 29, 2011.

Vice Chairperson Christensen made a motion to approve the minutes of the March 8 and March 29, 2011 minutes. Director Turner seconded the motion. Upon roll call, Chairperson Garrott declared the motion unanimously approved.

4. [2:19:06 PM](#) Report of the Chief Administrative Officer.

There was no report of the Chief Administrative Officer.

5. [2:19:24 PM](#) Public Comments.

Chairperson Garrott called for public comments. He asked Ms. Patti Bodily Brown and Mr. Paul Christenson to address the Board regarding the West Temple Gateway and Granary District Redevelopment Strategy.

[2:20:07 PM](#) Ms. Brown stated that there is concern in the area, particularly on Jefferson Street and the area between West Temple and 200 West, that as the redevelopment suggested proceeds the traffic from the freeway will be an issue. She also expressed concern with damage that could occur to surrounding structures during the demolition of the buildings in the area. Construction work can often rattle these older homes. She felt there should be a fence or some type of barrier to provide security as well as division of the properties without blocking the light for her property and others adjoining the proposed walkway.

Chairperson Garrott asked Ms. Brown her address. She answered 830 Jefferson Street.

[2:22:37 PM](#) Mr. Christenson stated that he is the owner of three properties on Washington and Gale Streets between 900 South and the off ramp. He said his comments pertain only to the properties south of 900 South, he felt the development plans for between 800 and 900 South are working well. At the last Board meeting, he asked that the Board affirm the recommendation of RAC that the zoning in these areas not to be adjusted as suggested in the consultant's report. He again asked that RAC's recommendation be followed. This area is undergoing significant transition at this time, most notably the renting of apartments in the Kirtland Building for relatively high rents without subsidy. This shows there is a demand for housing in the area. Mr. Christenson felt that allowing property owners to develop their properties when the market provides greater demand seems to be the best approach for two reasons. First, hopefully the success in the Kirtland Building can be replicated in other areas in the neighborhood so there is a variety of housing options open to all income levels. Second, if zoning changes were to be initiated by the RDA Board, he and other property owners could feel the need to develop their properties immediately to take advantage of the existing zoning. Such projects may not be best for the neighborhood in the long run.

Mr. Christenson said he felt extending the design guidelines to the area south of 900 South would be a welcome change as it would give the neighborhood a more cohesive feel and prevent design issues that have been created by other projects.

6. Redevelopment Business/Routine Matters.

A. [2:24:41 PM](#) 2011-2012 Budget

- 1) Public Hearing for Consideration of the 2011/2012 Annual Implementation Budget.

Chairperson Garrott opened the public hearing for the 2011/2012 Annual Implementation Budget. There were no public comments. Vice Chairperson Christensen made a motion to close the public hearing. Director Martin seconded the motion. Upon roll call, Chairperson Garrott declared the motion unanimously approved.

- 2) [2:25:22 PM](#) 2011/2012 Budget/Review of Draft Budget and Supplemental Budget Narrative.

Executive Director Baxter stated that in addition to the spreadsheets showing the budget allocations, for the last several years a narrative description has been included as a part of the budget adoption process.

Director Turner stated that in the West Capitol Hill Project area, there is no mention of funding for the library that has been proposed for this area. Executive Director Baxter said the library was not specifically mentioned as there are no funds allocated for it specifically, but it is a part of a more general category of Marketing and Development of Agency owned property. He said a provision could be added to identify a portion of the marketing and development funds for the Marmalade East property which will include a new branch of the City library. Director Love asked that this change be made, Board members agreed to this change.

Vice Chairperson Christensen asked that any additional changes that need to be made to the budget or narrative be sent to staff at least a week before the June meeting, at which time the final budget will be brought to the Board for approval.

B. [2:28:14 PM](#) Gallivan Utah Center Owners' Association Appointments.

Executive Director Baxter said that each year the Board has the opportunity to appoint two individuals to sit on the Gallivan Utah Center Owners' Association (GUCOA) Board. Typically, the RDA Board elects the Agency's Executive Director and Michael Gallivan as a community representative to the GUCOA Board. Mr. Gallivan has indicated his desire to continue in this capacity, in which he has served since the Gallivan Utah Center opened.

Vice Chairperson Christensen made a motion to confirm the reappointment of the Agency's Executive Director and Michael Gallivan as representatives to the Gallivan Utah Center Association Board. Director Turner seconded the motion. Upon roll call, Chairperson Garrott declared the motion unanimously approved.

- C. [2:29:52 PM](#) Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving the Grant Agreement Between the Salt Lake City Housing Trust Fund and the Redevelopment Agency of Salt Lake City.

Chairperson Garrott recognized Ms. LuAnn Clark, Director of Salt Lake City Housing and Neighborhood Development (HAND). Deputy Director Belliveau said that each year, the RDA enters into an agreement with the Salt Lake City Housing Trust Fund, through which funds from the RDA's City Wide Housing Fund are allocated to assist with affordable housing projects throughout the city.

A total of \$288,910 is available for this grant agreement, and staff recommends that proceeds from the loan payments received by the Housing Trust Fund also be reallocated to the Fund.

Vice Chairperson Christensen commented that there is a large balance available in the Housing Trust Fund at this time and asked if there were any projects in the near future that would utilize these funds. Ms. Clark said there has been an increase in the number of projects being brought to the Housing Trust Fund. She said an application was received last week for assistance with the rehabilitation of the Woodruff Apartments, and Wasatch Manor has contacted her office for assistance with HVAC updates.

Director Penfold made a motion to adopt the resolution. Director Love seconded the motion. Upon roll call, Chairperson Garrott declared the motion unanimously approved and the resolution was adopted.

7. Redevelopment Business/Old Business.
  - A. [2:34:35 PM](#) Discussion and Approval of the West Temple Gateway and Granary District Redevelopment Strategy.

Chairperson Garrott recognized Mr. Chuck Depew with National Development Council. Ms. Taylor stated that last fall, the RDA Board authorized staff to work with its on-call development consultants to complete a strategy for RDA activities the West Temple Gateway District. The Granary District was later added to the scope of work.

The purpose of the strategy is to provide information about market expectations in these project areas, as well as a context in which to create RFP's for the development of RDA owned properties. The strategy identifies assets and some of the impediments that currently exist, and provides a variety of recommendations to assist staff in the successful redevelopment of these areas. Staff has worked closely with NDC in this process, and has solicited input on the strategy from City departments, RAC, and the Community. She asked Mr. Depew to review the strategy.

Mr. Depew reviewed the three documents provided in the study. First is the Redevelopment Guide, which is a broad overview document that provides market and other information that impact the study areas, gives detail of goals and strategies adopted to date, outlines some impediments, and guidelines to moving forward in terms of broad recommendations.

The second document reviews design guidelines including street design issues. As the area moves from industrial area to mixed use, design issues should be address in a more focused way. The third document is a property approach document, which provides specific advice on development of a cross section of RDA owned properties as well as the Fleet Block. This involved completing economic analysis as well as some design concepts, to provide options to be considered for the development of these properties.

Ms. Taylor said RAC made a recommendation that there be an executive summary that would include the purpose behind the strategy, its importance to the community, the “bigger picture” being advocated by the strategy, and the connection between the Master Plan goals and the strategy findings and recommendations. RAC also asked that the findings and zoning be address in the form of a table, and that current zoning maps be included.

She said Mr. Depew has indicated that an executive summary could be provided. Chairperson Garrott said he felt it was also important that the issues brought up in the public comments be addressed but expressed concern that adding these items to the report would delay approval of the strategy which will delay the marketing of the properties. Director Love commented that the plan could be adopted with the caveat that these items be addressed.

Director Martin asked how much of the strategy deals with proposed zoning changes and what these changes are. Mr. Depew answered there are only three adjustments to zoning recommended. The first recommendation is to make single family residences an allowable use, especially within the Jefferson area. He said the zoning capacity is more than sufficient to allow for redevelopment in the area, and most of the redevelopment that has been done is below the zoning capacity. The strategy indicates it may be better to lower some of the heights and densities. He felt the main issue is the need to deal with non-conforming uses. To move from industrial to a mixed, predominantly residential use, there are clearly incompatible land uses that will require a strategy to make these uses more palatable through design guidelines, or to consider some transition of economic uses.

Director Martin asked about the “down zoning” about which some community members have expressed concern. Mr. Depew said the recommendation was not to downzone. However, if a consideration is made to adjust the zoning, there is not a need for more capacity. The concern expressed is that the zoning capacity is in excess of anything that has been developed in the area. This creates an expectation of land value that is not achievable in the marketplace. Any recommendation to adjust the zoning was in trying to bring the land value expectations into alignment with economic realities.

Mr. Gray said he feels this is an issue throughout the downtown area. He felt the downtown has been over- zoned to a point that it is assumed land values are much greater than they actually are. This fosters a lot of parking lots, because property owners are waiting for a 15-20 story development, so the land sits fallow. The national trends indicate that large scale financing is years if not decades away, which means smaller scale projects will be built.

Director Martin expressed concern with making changes that could affect the permitted uses on property that was purchased with an anticipation of a different, higher use.

Mr. Gray said the market has changed since this zoning was put in place. He felt the choice was to wait for the market to catch up, recognizing that properties likely will not develop because there are unrealistic expectations of the value, or to make the zoning more appropriate.

Chairperson Garrott asked about the area south of 900 South. Mr. Dahl said that during the study, the single family neighborhood north of 900 South was identified as a use that should be encouraged and preserved. It is currently zoned RMF 75 which would allow for higher density. However, the parcels are typically .10 of an acre, which makes building a higher density development possible only if several parcels are assembled.

Mr. Dahl said he felt some of the concerns are in response to existing buildings in this area that some feel are out of scale and that some of these issues could be addressed through design guidelines that would help assure that future projects are less imposing. To this end, the strategy recommends moderate density. Director Love asked how moderate density is defined. Mr. Gray answered that a moderate density is about five stories or a height maximum of 65'. Mr. Depew stated that the study was limited in the area south of 900 South as there are no RDA properties located in that area. However, there are currently only two buildings that are near the zoned density, and both were built using some alternative financing structures that likely would not be available in this area.

Chairperson Garrott asked if the design guideline recommendations would be put in to the zoning code, or would be enforceable only when a development agreement is put in place. Ms. Taylor suggested a transitional overlay. Mr. Dahl said there are items in the strategy the RDA can move forward with, and others that are regulatory in nature that would have to go through the standard City regulatory processes.

Vice Chairperson Christensen said he felt that rather than changing the zoning the focus should be a transitional overlay. There are some pockets here that need to be redeveloped, but how they interface with the existing housing is important. He felt that north of 900 South, it was important that the existing single family housing stock be protected.

Chairperson Garrott asked why Montrose Street was not included in the strategy. Ms. Taylor said that this area could be added. She said the RDA owns several parcels near here, but having a small spot with limited zoning within this area could prohibit future redevelopment. Chairperson Garrott felt preserving this neighborhood is very important. The trend is toward smaller developments, and it is likely the Fleet block property will be developed in smaller parcels to make financeable bankable projects. Given this, he felt Montrose could fit into this strategy.

Mr. Depew felt that as a small or sub-area it could fit. The challenge is that south of 800 South the predominant land use form is single family neighborhoods. That identity is already in place, and should be enhanced and recognized. The Kirtland building is just outside this area, and as a five story building would be a conflicting density. He said when people own their housing they tend to take more ownership in the community and become more anxious about height and the types of land uses around them. It can potentially raise more land use conflicts because people will want the uses around Montrose to be a more compatible form, which right now would

indicate that everything should be over four stories. There are some uses that likely should be protected, but it is difficult within a zoning context because it can raise some expectations.

Mr. Gray said in addition to the contract planner that will be working in RDA areas, the proposed City budget recommends the addition of an urban design professional and that the RDA be a partner in funding this position. He felt this urban design professional will work on the issues as suggested in this report and perhaps work with the consultant to develop those specific design guidelines and have them adopted either in an overlay sense or as part of a revised master plan for the area. He felt it was important to address the urban design because most of the issues being discussed here are not height and density issues, they are urban design issues.

Director Turner commented that this area could be the perfect urban experience. He felt the problem here isn't with height or density, but non-compatible uses. That is mentioned several times in the report, and until these are addressed it is unlikely this area will redevelop despite the great location. He felt there is a need to take a broader view of this as an urban environment, and how to bring people into the area. 900 South is the southern edge of downtown now, although it doesn't look like it. He felt there are uses in the area that could be detrimental to development.

Director Simonsen said that in reflecting on the material given and how to implement changes, he feels context really matters. Preserving a context for single family homes, even if is only a few of them, is very important to preserve the flavor of what was. He applauded the recommendation that these be conforming uses. He felt that in considering the zoning, whether it is an overlay scenario or more specific long term zoning strategies, the first things to be considered are what should be kept as permitted uses. The context generally, in how to go from high density along the streetcar and light rail corridors but then to transition within just a few hundred feet from high to low density. He said that understanding the rail systems that exist and those that are proposed for this area can help with the issue of context.

Director Simonsen said he has long felt there is some over zoning, and some property values have been inflated. Development generally follows the path of least resistance, if we were to build for the densities that are allowed here with only market absorption, it would be difficult to fill this area. These are some realities that need to be considered. The zoning may be driving development away from this area because the property values and expectations are so high. It's not affordable or consumable under the current market absorption realities.

Director Love said it seems the Board is generally in agreement with the strategy with the exception of some concern with the suggestion of moderate zoning south of 900 South. She said that by adopting the plan, no zoning will be changed, but rather a statement made that this is the vision for the area. She said that if at some point a rezoning process is considered, that would be handled through a standard public process. She said she was prepared to make a motion to adopt the plan tonight with Chairperson Garrott's recommendation that an executive summary is drafted and that the public comments are included with responses.

Director Martin said he was uncomfortable doing something that may impact the free market. The RDA has made some good land purchases, but he questioned if that really was the purpose of the RDA. He felt the RDA's job is to provide incentives to the market and what it wants to do,

that development will happen as people are willing to invest their money. He said he understood the role of the RDA is to provide incentives to developers to come into an area and make it financially viable for them to do so. He questioned if the RDA was forcing a false market.

Director Love felt this was different than the zoning issue. Director Martin felt that the development strategy makes a broad statement on how the RDA is going to accomplish what the strategy outlines. He again questioned if this could force a false market.

Mr. Depew said the land economist that worked on the strategy would agree with Director Martin in that the changes need to be market driven. However, the market has not been driving this area, it has bypassed it. This strategy is a way to retune to what we feel is economically achievable. Those involved in the strategy have also suggested to RDA staff that no more property should be purchased as assembling bigger sites does not bring more opportunity and that some of the properties owned by the RDA should be sold to generate revenue to do other things and make some strategic acquisitions at corners to allow something of meaning to be created. He felt the consulting team would agree with what is being said, but felt that this strategy would be successful because the market is going to take form and drive investment in this area, which it has not done in the past.

Director Turner commented that this area has a lot of environmental issues with the railroad tracks and heavy industries. Some developers do not want to deal with a piece of property that may require environmental cleanup. This neighborhood is full of that, and it is one of the RDA's challenges to clean up the property and prepare it for another use. Mr. Depew agreed, and said this is one of the incentives the RDA can provide.

The Board discussed utilizing assets that exist in the Granary District. Chairperson Garrott asked what the RDA can do to intervene and maintain some of the uses that give character. Mr. Depew said that because their focus was on RDA properties first, there was not a lot of analysis done in the Granary District. He said the team felt there is great opportunity there, considering the large lots and interesting buildings. He felt the challenge would be to make the economics work versus people's expectations. Those warehouses can be more easily torn down, which allows a developer to assemble a block in a more straightforward fashion. While they did not see a lot of redevelopment potential, this could be a land banking strategy. So how to organize acquisition of warehouses that can allow those uses to transform them now is the challenge. We talked a lot about the RDA leveraging financing sources, the Artspace project would not be there if it wasn't for accessing several subsidies which allowed them to underwrite the environmental cleanup and other things necessary on this property. He felt there are opportunities for the RDA to realign resources, and work with developers who want those kinds of creative class buildings for the Granary area.

Chairperson Garrott asked how other cities have accomplished this, and commented that such developments were seen during the tour in Denver. Mr. Depew felt there is a need to focus on partnering with the right ownership interests that share the same goals.

Mr. Dahl commented that the completion of the public improvements on 400 West will also be something that encourages development. This has been identified as an issue in this area.

Chairperson Garrott mentioned park space as another amenity people are excited to see in this area.

Vice Chairperson Christensen said he felt it was important address the public comments in the strategy. Director Love agreed, and said she would be comfortable with waiting until next month to review the comments and how they were addressed. Vice Chairperson Christensen suggested that staff prepare the RFP's for the parcels suggested in the strategy for review at the next Board meeting. Mr. Dahl indicated these would be the properties on 900 South between Jefferson and 200 West, and the midblock walkway and EZ auto site.

The Board directed staff to compile a listing of how the public comments are addressed in the plan and to prepare the RFP's for the properties listed and bring both items back for approval at the June Board meeting.

- B. [3:42:54 PM](#) Briefing and Board Discussion of the Final Report Regarding the Feasibility of Constructing a Performing Arts Center Suitable for Touring Broadway Performances.

Chairperson Garrott recognized Steve Swisher and Greg Garfield with Garfield, Traub, Swisher, Bruce Bingham with Hamilton Partners, Steve Crane, VCBO Architecture, and representatives from Salt Lake County. He stated that this is a cooperative project between Salt Lake City and the County.

Executive Director Baxter stated that a presentation of the preliminary results of this in depth work was given in November. This is the final report that details the conclusions, findings, and recommendations.

Mr. Swisher acknowledged and thanked all who contributed to the report, and presented the findings utilizing a power point presentation. (Copy attached.)

Vice Chairperson Christensen asked if the public model was solely based on having the County operating the facility, or was something that could be replicated by the city or a non-profit. Mr. Swisher answered that if this were to be a standalone facility and not operated cooperatively the operations would resemble model B. The largest difference is the shared resources through the County versus stand alone focused operations. Both are viable, but there are some benefits to the public model.

Vice Chairperson Christensen asked the timeframe for the building of the office tower and if the construction could be separate from the performing arts center. Mr. Bingham said the construction can be separate, although the staging would be difficult due to the site constraints. Mr. Bingham said the timing to build the office tower would be dependent on market conditions and would take approximately one year to design and twenty four months to construct.

Director Turner asked about parking for the office tower. Mr. Bingham said the Regent Street garage would be the main resource. The site is not large enough to accommodate parking. However, the owners of the Regent Street Parking garage have indicated there will be parking

available there. Recently 5,000 spaces have been constructed nearby, so there is less pressure on Regent Street, which will allow for a long term arrangement with them.

Vice Chairperson Christensen asked how the project would proceed. Mr. Swisher said they would like to be underway with the design by the end of the summer. Vice Chairperson Christensen stated that for as long as he has sat on the City Council and RDA Board, this section of Main Street has been a challenge. He felt this would be a real changing element for downtown and this section of Main Street, and expressed his support for the concept.

Board members discussed the location of the theater, and the activation of the block.

Chairperson Garrott asked about the Utah Theater as a part of the performance center concept. Mr. Swisher said that the Utah Theater has been considered as a part of the linkages for the performance center. Chairperson Garrott asked about financing for the Utah Theater renovation, Executive Director Baxter said several options are still being considered.

Chairperson Garrott recognized and welcomed Deputy County Mayor Nicole Dunn, and other representatives from Salt Lake County.

Deputy Mayor Dunn said, as shown in the final report, the County supports the conclusions presented in the report. She said they enjoyed the process over the last nine and the interaction with the team. The County feels good about the results, and is pleased they were able to contribute. She said Phil Jordan from the Center for the Arts was present, and could answer any questions the Board may have about his participation in this work. She thanked the Board for allowing their input in this process, and said they look forward to the ongoing conversations regarding arts and culture in downtown Salt Lake City.

Chairperson Garrott asked the next steps in the process. Executive Director Baxter said that the City Council will be asked to consider a resolution to instruct staff to begin putting this project together. A funding commitment is not necessary at this time, but the team will seek the Council's support before moving forward.

- C. [3:30:01 PM](#) Consideration and Adoption of a 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.

Chairperson Garrott recognized Mr. Darrin Brush with CDC Utah. Mr. Dahl stated that last August, CDC Utah asked for an extension of the Purchase and Sale Agreement for development of RDA owned property at 153 West 900 South. At that time, the Board asked that CDC Utah consider some new strategies in how to develop the project. CDC returned earlier this spring with a proposed plan, which made some changes to the original proposal and included a partnership with the Ivory Companies. The terms also included that the RDA would provide a

low interest loan in the amount of \$2,500,000 or 25% of the total constructions costs, whichever was less. This proposal was accepted by the Board. CDC Utah is asking for additional time to continue working through this new proposal, and has asked for an extension of the agreement through August 31.

Mr. Brush said CDC has been working with the Ivory group of companies and continue to work through the details. Mr. Brush mentioned that the strategy discussed earlier in the meeting was of great interest to him as it applies to this property. CDC's proposal is for a mixed use, moderate density, transit oriented development that preserves home ownership. This has been a challenging part of this proposition since the market downturn. Mr. Brush said CDC Utah has maintained these goals in this project.

Chairperson Garrott commented on the phasing of the project, and asked what would trigger the construction of the second phase. Mr. Brush said it would move forward immediately after the completion and sale of the first phase, which will include the elevator core and 20 of the 38 units. He said their goal is to sell the first phase within six to nine months.

Director Penfold commented on length of the extension requested and expressed concern that this would be adequate time to complete the work necessary to begin construction this year. Mr. Brush felt this extension would provide adequate time to determine if this is a viable project and if CDC can move forward with construction.

Vice Chairperson Christensen asked if CDC would be able to bring the final deal and design back to the Board by the August deadline. Mr. Brush answered yes.

Vice Chairperson Christensen made a motion to adopt the resolution. Director Love seconded the motion. Upon roll call, Chairperson Garrott declared the motion approved and the resolution was adopted with Director Martin voting nay. Director Simonsen was not present for the vote.

Director Simonsen returns to the meeting.

- D. [4:19:07 PM](#) Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving an Amendment to the Purchase and Sale Agreement With Tannach Properties L.L.C. for the Development of Agency Owned Property Located at 237-255 South State Street and 241 and 247 Floral Street.

Chairperson Garrott recognized Mr. Ben Logue with Tannach Properties. Mr. Dahl stated that last July the RDA entered into a Purchase and Sale Agreement for these properties on State Street. Tannach has worked to meet the terms of the Purchase and Sale Agreement, and in February asked the Board for, and was granted, an extension to move the closing date to the end of May. The final designs were approved by the Board last month, and Tannach has submitted copies of the paperwork that was filed to secure the conditional use permit to allow the water tower to be placed on top of the development. Initial approval has been received on most of the financing, including a loan from Salt Lake City. Tannach has submitted plans for a building permit, and paid the permit fees.

RDA Staff was included in a recent conversation with representatives of the various lenders and investors that are participating in the project. The timeframe necessary to negotiate all the documentation for this project was discussed, and the indication is they will need until early July to complete this work. Staff is supportive of the extension of the closing to the end of August, to move the requirement to provide the construction contract and final financial package to the end of July, and the number of parking stalls be increased to 180 to coincide with the change in the number of housing units.

Director Simonsen made a motion to adopt the resolution. Director Penfold seconded the motion. Upon roll call, Chairperson Garrott declared the motion unanimously approved and the resolution was adopted.

E. [4:23:57 PM](#) Loan Extension Policy Consideration and Approval.

Mr. Dahl stated that last month, a range of terms was presented to the Board to consider for a loan extension policy. The Board asked that the terms for extensions be written to allow extensions for a maximum of five years, the interest rate would be prime plus 8% with a floor of 10%, the loan balance to be amortized over a ten year period, and that a 1% extension fee be charged.

Director Love said she felt this rate may be too high and could be viewed as punitive.

Director Simonsen made a motion to approve the proposed loan extension policy. Vice Chairperson Christensen seconded the motion.

Director Simonsen asked if loan customers have been made aware that this policy is being put in place. Mr. Dahl stated that at this time, there are two individuals that have made requests for extensions on their loans. To his knowledge, they are not aware of these discussions.

Upon roll call, Chairperson Garrott declared the motion approved with Director Love voting nay.

F. [4:37:31 PM](#) Consideration and Approval of a Request for an Extension of a Loan Between the Redevelopment Agency of Salt Lake City and Jeffrey Evershed.

Deputy Director Belliveau stated this is a second request for a loan extension of a loan initially granted in 2004. In 2009 the Board authorized a two year extension. The borrower is now requesting another one year extension of the outstanding principal balance of approximately \$380,000. He said the current loan terms are a 4% interest rate with a 20 year amortization.

Vice Chairperson Christensen asked, based on the policy just adopted, if the extension would be made for the one year requested at the higher interest rate, or if the five year term would be offered. Deputy Director Belliveau suggested a one year term at the higher interest rate. Deputy Director Belliveau stated that the loan committee recommended granting an extension based on the terms presented in the policy discussion last month, which would have required a 24% balloon payment, 1% extension fee, a lower interest rate, and a one year or less term.

Vice Chairperson Christensen made a motion to approve a one year extension with terms based on the newly adopted policy. Director Martin seconded the motion. Upon roll call, Chairperson Garrott declared the motion unanimously approved and the resolution was adopted.

8. Redevelopment Business/ New Business.

- A. [4:41:01 PM](#) Consider Adopting a Motion to Enter Into a Closed Meeting In Keeping With Utah Code to Discuss Pending Litigation and/or the Acquisition/Disposition Of Real Property and/or Attorney-Client Matters That are Privileged, Pursuant to Utah Code Ann. § 78B-1-137(2).

Director Simonsen made a motion to enter into a closed meeting. Upon roll call, Chairperson Garrott declared the motion unanimously approved.

Chairperson Garrott stated that upon completion of the closed meeting, the RDA Board of Directors meeting would stand adjourned.

The closed meeting of the Board of Directors of the Redevelopment Agency of Salt Lake City was held at the City and County Building, 451 South State Street, in the Council Chamber conference room at 4:45 p.m. on Tuesday, May 10, 2011.

The following members of the Board of Directors of the Redevelopment Agency of Salt Lake City were present: Luke Garrott, Chairperson; Carlton Christensen, Vice Chairperson; Stan Penfold, Director; Jill Love, Director; Søren Simonsen, Director; JT Martin, Director; and Van Turner, Director.

The following members of the staff of the Redevelopment Agency of Salt Lake City were present: D.J. Baxter, Executive Director; Justin Belliveau, Deputy Director; Laura Kirwan, Legal Counsel; Jill Wilkerson-Smith, Project Manager, Matt Dahl, Project Manager; Travis Pearce, Property Manager, Ashlie Taylor, Project Area Specialist, and Crayola Berger, Office Manager.

Others present: Frank Gray, Director Salt Lake City Community and Economic Development; Jennifer Bruno, Salt Lake City Council Office.

The Board discussed pending litigation and/or the acquisition /disposition of real property and/or attorney-client matters that are privileged.

There being no further business, Chairperson Garrott asked for a motion to exit the closed meeting. Director Turner made a motion to exit the closed meeting and Director Martin seconded the motion. Upon roll call Chairperson Garrott declared the motion unanimously approved and the closed meeting was adjourned at 5:35 p.m.

9. Adjournment.

There being no further business, Chairperson Garrott declared the meeting adjourned.

---

Luke Garrott, Chairperson

This document along with the digital recording constitute the official minutes of the Redevelopment Agency of Salt Lake City Board of Directors meeting held May 10, 2011.

# THE **UTAH** PERFORMING ARTS CENTER

## PRE-DEVELOPMENT STRATEGIC ANALYSIS



May 10, 2011

Garfield Traub Swisher  
Hamilton Partners  
Okland Construction  
VCBO Architecture  
AMS Planning & Research

# ACKNOWLEDGEMENTS

## Redevelopment Agency of Salt Lake City

### Chief Administrative Officer

Ralph Becker                      Mayor, Salt Lake City

### Board of Directors

Luke Garrott	Chairperson
Carlton Christensen	Vice-Chairperson
Jill Remington Love	Director
JT Martin	Director
Søren Simonsen	Director
Stan Penfold	Director
Van Blair Turner	Director

# ACKNOWLEDGEMENTS

## Executive Committee Members

D.J. Baxter	Executive Director, RDA
Justin Belliveau	Deputy Director, RDA
Bill Becker	Independent Advisor
Bob Farrington	Economic Development Director
Karen Hale	Communications Director
Lisa Harrison-Smith	Former Deputy Director of Communications
Helen Langan	Senior Advisor to the Mayor
Sen. Ben McAdams	Senior Advisor for Intergovernmental Affairs

# ACKNOWLEDGEMENTS

## Intergovernmental Working Group

Nichole Dunn	Deputy Mayor, Salt Lake County
Ann Ober	Government Relations Specialist, Salt Lake County
Erin Litvack	Director, Salt Lake County Community Services
Nilsa Carter	Associate Director, Salt Lake County Community Services
Philip Jordan	Director, Salt Lake County Center for the Arts
Melinda Cavallaro	Events Director, Salt Lake County Center for the Arts
Cami Munk	Marketing & PR Manager, Salt Lake County Center for the Arts
Vicki Bourns	Program Manager, Salt Lake County Zoo, Arts & Parks
Emily Farmer	Redevelopment Manager, Salt Lake County
Valerie Price	Public Art Coordinator, Salt Lake County
Margaret Hunt	Executive Director, Utah Division of Arts & Museums

# ACKNOWLEDGEMENTS

## Special Thanks To

Dan Mulé	City Treasurer
Gina Chamness	City Budget Director
Dale Okerlund	Lewis Young Robertson & Burningham
Laura Lewis	Lewis Young Robertson & Burningham
David Robertson	Lewis Young Robertson & Burningham
Kelly Murdock	Wells Fargo Securities
Chuck DePew	National Development Council

# MEETINGS SUMMARY

3 Formal Stakeholder meetings

3 Formal Steering Committee meetings

11 One-on-one stakeholder interviews

- Ririe-Woodbury Dance Company
- Kingsbury Hall
- Pioneer Theatre Company
- University of Utah Fine Arts
- Ballet West
- Utah Symphony and Opera
- Jeffrey Berke Productions
- NewSpace Entertainment
- County Center for the Arts
- State of Utah Division of Arts and Museums

## MEETINGS SUMMARY

- 9 One-on-one interviews by AMS
- 5 Technical one-on-one interviews
- 5 Follow-up technical one-on-one interviews
  - Ballet West
  - Utah Symphony and Opera
  - County Center for the Arts (3)
- 18 Executive Committee meetings
- 9 Intergovernmental Working Group meetings
- 6 City Council Cultural Subcommittee meetings
- 4 Briefings of Mayor Becker

# MEETINGS SUMMARY

## 13 Presentations with Mayor Becker

- Chamber of Commerce Board
- Downtown Alliance
- Editorial Boards
- Utah Symphony and Opera Board
- Governor Herbert
- Mayor Corroon (2)
- County Council Members
- Update to RDA Board
- Bishop Burton, LDS Church (3)

4 Strategic Communications “Lead Team” meetings

2 AECOM Interviews

8 AECOM/AMS Executive Committee conference calls

8 Coordination meetings w/ RDA Director and staff

# **STRATEGIC ANALYSIS COMPONENTS**

Facility and Site Planning

Conceptual Development Budget

Market Analysis and Operating Models

Plan of Finance

Fiscal and Economic Impact Analysis

## GOALS FOR NEW THEATER

Enhance the **Cultural Core District** as a **destination attraction**

**Economic driver** for Utah's Capital City and the region

Enhance **vitality** of **Main Street** and **downtown Salt Lake City**

**Create date availability** for product not currently in the market

Increased **flexibility/diversity** of entertainment programming

## GOALS FOR NEW THEATER

Growth of touring Broadway shows and audiences

Broader audience appeal for regional citizens and visitors

Venue option for growth of community arts groups

Statewide educational opportunities and cultural enrichment

## FACILITY PROGRAM

148,000-sq. ft., 2,500-seat performing arts center with support spaces

annex space on regent street with potential use for retail, studio/black box, rehearsal space, classrooms, offices and storage

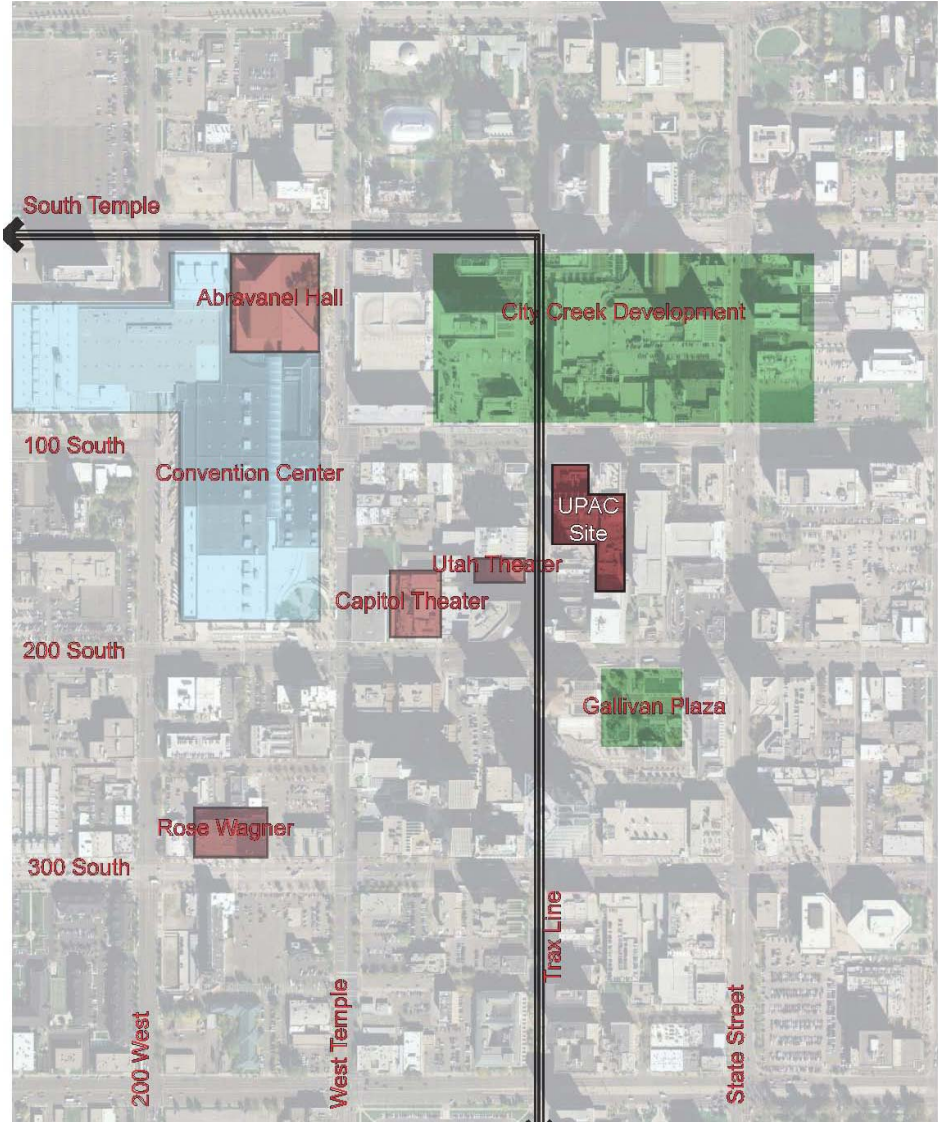
a mid-block walkway connecting main street and regent street

use of approximately 650 parking stalls in the regent street parking garage

Phase II 450,000 SF mixed-use 25 story office tower private development



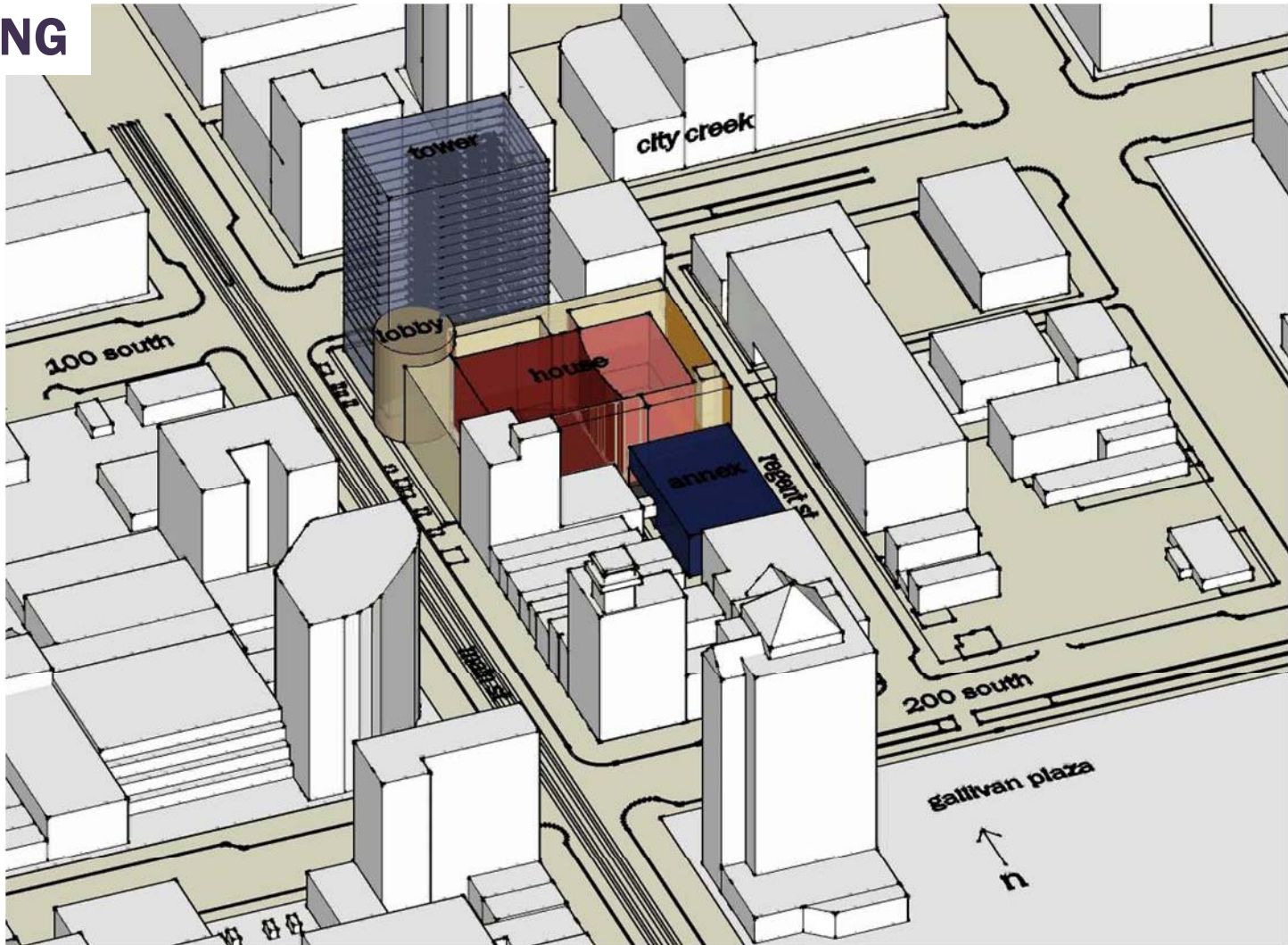
# VICINITY PLAN



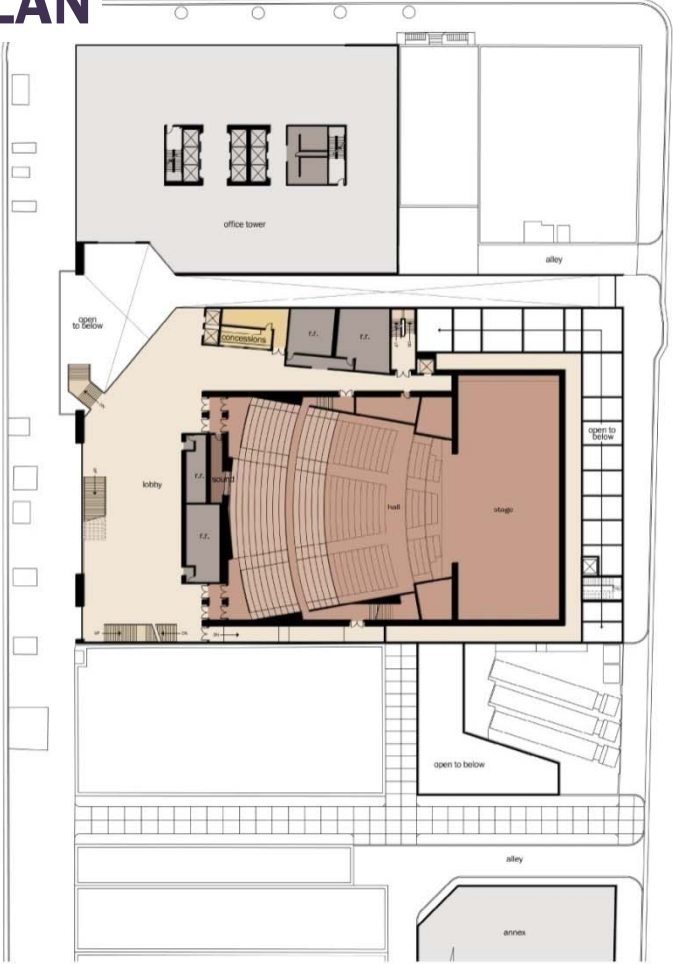
# SITE PLAN



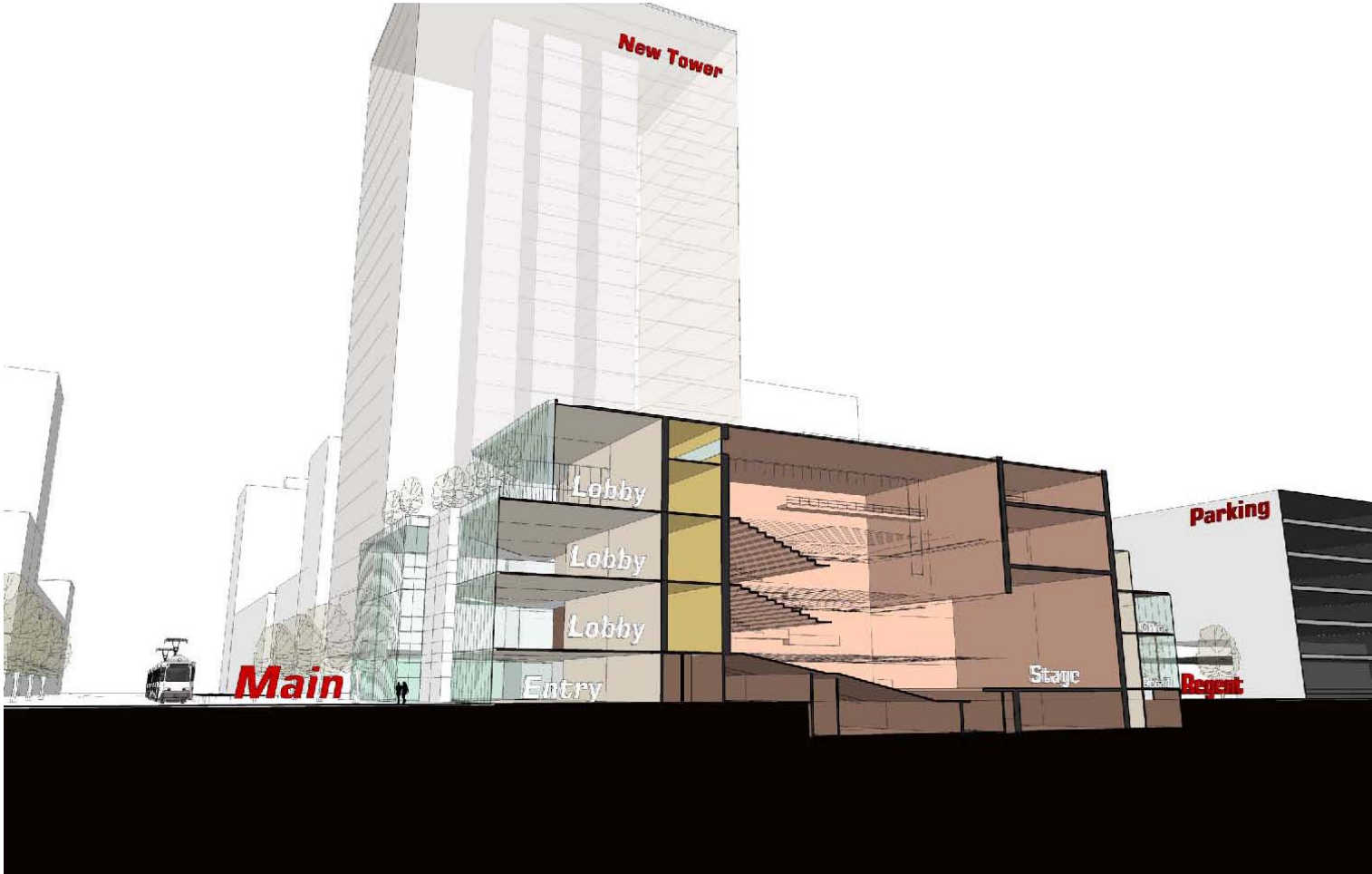
# MASSING



# ORCHESTRA PLAN



# SECTION LOOKING NORTHEAST



# DEVELOPMENT BUDGET



**THE NEW PERFORMING ARTS CENTER**

# CONCEPTUAL BUDGET

Theater (148,000 SF)	\$ 88,000,000	
Dock and Ramp	500,000	
Commercial Space at Regent Street (4,800 SF)	900,000	
Galleria	1,400,000	
8% for Construction Cost Escalation	7,264,000	
Pre-Opening Costs	750,000	
1% for Public Art	<u>\$ 1,000,000</u>	
<b>Subtotal - Theater Cost</b>		<b>\$99,814,000</b>

## ADDITIONAL OPTIONS/PHASES

Mid-Block Walkway	\$ 2,500,000
Black Box Theater (45' x 45' Plus Lobby and Support)	2,300,000
Roof Terrace (6,000 SF)	500,000
Additional Rehearsal and Support Space for Local Arts Groups (13,000 SF)	3,900,000
Banquet Facility (400 Seats with Kitchen)	2,600,000
Venue Impact Mitigation	3,000,000
Operating Reserve/Working Capital	2,000,000
Regent Street Retail (15,000 SF)	3,750,000
Regent Street Improvements	1,200,000

# OPERATING PROJECTIONS



**THE NEW PERFORMING ARTS CENTER**

## TWO OPERATING APPROACHES ANALYZED

1. Public operator with **shared resources**
2. Nonprofit **“stand-alone”** operator

**Rental** venue assumed rather than operator as **presenter**

**258,000** to **276,000** attendees projected in base year

**220** to **268** total use days (163 – 200 performance days)

## **BOTH OPERATING APPROACHES ARE VIABLE**

- Nonprofit operation (**cumulative over 5 years**)
  - **Break-even** operation before debt service
- Public operation (**cumulative over 5 years**)
  - \$2.42 million in **positive cash flow** before debt service, **PLUS**
  - \$850,000 in facility fee income over and above expected needs of the new theater

## CONCLUSIONS

**Both** operating approaches **are viable**

Public operation would be **most cooperative** with existing venues

Public model **more cost effective** due to shared resources

Public model produces **significant positive cash flow**

## POTENTIAL USES OF POSITIVE CASH FLOW

Support operations at this and other venues

Invest in enhanced programming at this and other venues

Fund capital improvements at this and other venues

Supplement budgeted advertising funds

Contribute to new theater debt service

# FISCAL AND ECONOMIC BENEFITS



**THE NEW PERFORMING ARTS CENTER**

## FISCAL AND ECONOMIC BENEFITS

**\$9.4 million per year** in total ongoing economic output expansion from the theater alone

**\$14.8 million per year** in recurring annual economic impact including the office tower

## FISCAL AND ECONOMIC BENEFITS

### Construction and permanent **job creation**

- **115 permanent jobs** associated with the theater
- **168 permanent jobs** including the office tower
- **Over 1,671 jobs to nearly 4,000** created during construction

## FISCAL AND ECONOMIC BENEFITS

A one-time expansion of the economy of **\$200mm to nearly \$500mm**

**Increased visitation** and net new touring companies

More entertainment patronage and **spending retained in Utah**

**More downtown activity**, parking revenues, restaurant and retail sales

**Sales taxes** generated by visitor spending

**\$1mm in incremental property taxes** associated with office tower

## OTHER ECONOMIC BENEFITS

Property value stabilization and growth

Strengthened regional economic development

Enhancement of the Utah and Salt Lake “brands”

Downtown revitalization

Induced private investment

Supports other private investment (e.g. City Creek and the Gateway)

## IMAGINE THE POSSIBILITIES...

*Ain't Misbehavin'*  
*Chitty Chitty Bang Bang*  
*Dirty Rotten Scoundrels*  
*Hairspray*  
*High School Musical*  
*Jesus Christ Superstar*  
*Joseph And The Amazing  
Technicolor Dreamcoat*  
*Mamma Mia!*  
*Menopause The Musical*  
*Monty Python's Spamalot*  
*Movin' Out*  
*On Golden Pond*  
*Peter Pan*  
*The Phantom Of The Opera*  
*The Producers*  
*The Rat Pack*  
*Riverdance*  
*Stomp*  
*Sweet Charity*  
*The Drowsy Chaperone*  
*Thoroughly Modern Millie*  
*Wicked*  
*The Lion King*

*A Chorus Line 08*  
*Altar Boyz*  
*Annie*  
*Avenue Q*  
*Camelot*  
*Chicago*  
*Grease*  
*Little Women*  
*Rent*  
*Spring Awakening*  
*Sweeney Todd*  
*The 25th Annual Putnam County  
Spelling Bee*  
*The Color Purple*  
*The Light In The Piazza*  
*Twelve Angry Men*  
*Jersey Boys*  
*Cats*  
*700 Sundays*  
*Dora's Pirate Adventure*  
*All Shook Up*  
*Chita Rivera: The Dancer's Lie*  
*Doubt*  
*Evita*

*Frost/Nixon*  
*Golda's Balcony*  
*Happy Days*  
*Legends*  
*Les Miserables*  
*Little Shop Of Horrors*  
*Matthew Bourne's*  
*Swan Lake*  
*My Fair Lady*  
*Oliver!*  
*The Graduate*  
*The Wedding Singer*  
*Big River*  
*Bombay Dreams*  
*Burn The Floor*  
*Cirque Dreams: Jungle Fantasy*  
*Dame Edna: Back With A Vengeance*  
*Doctor Dolittle*  
*Edward Scissorhands*  
*Irving Berlin's White Christmas*  
*On The Record*  
*Say Goodnight, Gracie*  
*The Boyfriend*

*Purple = Salt Lake City, Red = Portland, Green = Phoenix, Blue = Denver*

## IMAGINE THE POSSIBILITIES...

Durham Performing Arts Center – Durham, NC

**Increased tourism**

Annual impact of more than **\$24 million**

Overture Center – Madison, WI

**Five-fold increase** in area property value over 10 years

**\$10 million** in annual downtown spending

## IMAGINE THE POSSIBILITIES...

Holland Center and Orpheum Theatre – Omaha, NE

**350,000 downtown visits** generated annually

Downtown **housing market resurgence**, even through recession

Pittsburgh Cultural District – Pittsburgh, PA

**10,192 full-time employees** countywide in arts and culture

**Successful re-marketing** of Pittsburgh region as **cultural hub**

## Center for the Arts Comments



## Center for the Arts Comments

### Salt Lake County Center for the Arts Participation

- Nine months of open, honest conversations
  - Salt Lake County Center for the Arts (CFA) has deeply appreciated the inclusion of the County in this process
  - CFA's voice was heard & considered
- CFA staff was and continues to be acknowledged as local subject matter experts
- Worked with VCBO Architects on proposed venue space program
- Worked closely with AMS Planning & Research on operations models
  - Model A - County operated UPAC
  - Model B - Privately operated UPAC
- CFA concurs with AMS findings for both Models and recommendations

## Center for the Arts Comments

### Model A - County Operated UPAC

- Benefits to Salt Lake City with County-operated UPAC\*
  - Combined booking calendar management
  - Programming collaboration
  - Shared ticketing services
  - Shared venue staff
  - Technical resources allocated across multiple venues
  - Collaborative marketing efforts
  - Consolidated county-wide resources for utilities & capital expenses

\*CFA staff opinion only

## Center for the Arts Comments

### Model B - Privately Operated UPAC

- Benefits to Salt Lake City with privately operated UPAC
  - More competitive with other venues
  - Exclusive focus by venue-specific staff on success for one venue

## Center for the Arts Comments

### Capitol Theatre & Abravanel Hall Impact & Opportunities

- UPAC reduces revenues at Capitol Theatre & Abravanel Hall but provides opportunity for entertainment market to evolve by supporting new events and presentations
  - Replacement programming can help offset revenue impact of new theater on existing venues
  - Any operating agreement between CFA and the City should address impacts on existing theaters
  - Opportunity for CFA to work with new and existing presenters to develop new programming for both venues
  - Increased availability & right size venues
- High profile, single events could move from Abravanel Hall to UPAC
  - Prestige of Abravanel Hall and higher seat count will help retain some bookings

## Center for the Arts Comments

### Capitol Theatre & Abravanel Hall Opportunities and Strategies

- Expand outreach to attract national presenters
  - Possible “CFA Presents” opportunity
  - New branding opportunity
- Create new incentives for shared revenues & expenses
- New mix of culture & entertainment events
  - Family, comedy, and variety shows
  - Film, alternative music and dance
- Increased venue space & availability
- Expand ArtTix resources

## Salt Lake County Conclusions

- UPAC Pre-Development Strategic Analysis states CFA could be the most effective and beneficial operator
- Salt Lake City benefits with a County-operated UPAC
  - Reduced expenses
  - Increased efficiencies
  - Cooperative marketing
  - Productive growth
  - Shared risk with net operations
- Opportunities for shifting revenues must be addressed
  - Marketing strategies
  - Resources
- The County endorses the process we went through and the findings of the report and we are continuing our conversation about future County involvement.

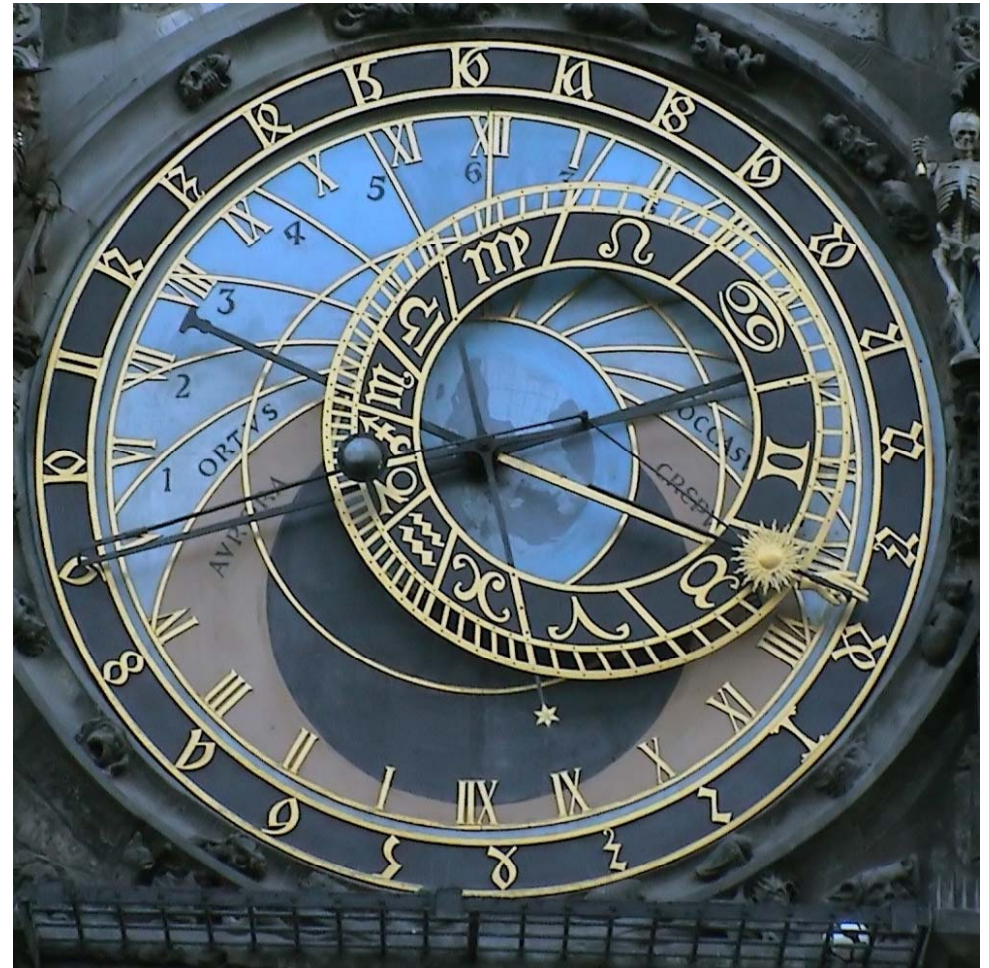


## NEXT STEPS

- City Council resolution later this month endorsing moving forward with project
- Continue public participation and outreach to key stakeholders
  - Salt Lake County and Center for the Arts
  - Arts groups and boards
  - Community and business leaders
- Begin development phase work
  - Development planning and design
  - Operating agreement and other organizational documents
  - Financial structuring and fundraising

# TIMELINE

Theater design	12 months
Theater construction	24 months
Office tower	36 months



# Q&A

# THE **UTAH** PERFORMING ARTS CENTER

## PRE-DEVELOPMENT STRATEGIC ANALYSIS



May 10, 2011

Garfield Traub Swisher  
Hamilton Partners  
Okland Construction  
VCBO Architecture  
AMS Planning & Research