

May 10, 2011

ITEM#: 6.B.

RE: GALLIVAN UTAH CENTER OWNERS' ASSOCIATION APPOINTMENTS

PROJECT AREA: Central Business District

PREPARED BY: D.J. Baxter

EXECUTIVE SUMMARY: Annually, the Gallivan Utah Center Owner's Association (GUCOA) elects the three members of the Board of Trustees to manage the day-to-day maintenance of the Gallivan Center. The Agency controls the majority of votes and typically elects the Agency Executive Director and Michael Gallivan as two of the trustees to ensure diverse representation on the Board. Staff is seeking concurrence from the Board in order to cast the Agency's votes at the upcoming the annual meeting.

FUNDING: Not applicable.

ALTERNATIVES:

- 1) Pass a motion directing the Executive Director to cast the Agency's votes for Gallivan Utah Center Trustees for the Redevelopment Agency of Salt Lake City's Executive Director and Michael D. Gallivan as a community representative on the Board.
- 2) Pass a motion directing the Executive Director to cast the Agency's votes for Gallivan Utah Center Trustees for two other individuals.

ANALYSIS AND ISSUES: The Board of Trustees is enhanced by including membership from both property owners and the community. The Agency has 59% of the votes at this time and can cast those votes to ensure the diversity of membership. Therefore staff is proposing to cast 30 of the Agency's votes for the Executive Director (RDA) and 29 for Michael D. Gallivan (community representation). Mr. Gallivan has served as a Trustee since the incorporation of GUCOA and staff feels his understanding of the plaza is invaluable.

BACKGROUND: The Covenants, Conditions, and Restrictions (CC&Rs) recorded at the time of the sale of the corporate parcel to American Stores required that the Gallivan Utah Center Owners' Association be formed. This Association is responsible for the management and maintenance of the "common area" on Block 57. The Agency retains the programming responsibility.

The Gallivan Utah Center Owners' Association is made up of all owners of property on Block 57 except for the owner of the 201 South Main Street Building. Each owner's voting

right is determined based upon the dollar amount it contributes to the management and maintenance of the common area on the block as a percentage of the total budget. This year the Agency will hold 59% of the membership voting rights, Wasatch Properties (Wells Fargo Plaza) will hold 21%, and Ocean Properties (Marriott Property) will hold 13%, and AlphaGraphics will hold 7% of the voting rights.

Each year, the members elect a three-member Board of Trustees. Each Trustee will have an equal voice in transacting the day-to-day business of the Owners' Association. The responsibilities include:

1. Employment of the Common Area Manager whose responsibility it will be to generally maintain, repair and insure the common area on the block.
2. Approve the budget so long as it is within 120% of the prior year's budget.
3. Enter into contracts, leases, and other written instruments.
4. Keep records and books.
5. Undertake other acts necessary for the operation and maintenance of the Association.

The by-laws adopted by the Owners' Association's Board require a minimum Board of three Trustees to be elected annually at the meeting of members. The Agency representative will cast the Agency's votes during the annual meeting scheduled in June 2011 in support of the Agency's trustees at the annual meeting.

ATTACHMENTS. None.