

MINTUES  
OF THE 240th  
MEETING OF THE  
REDEVELOPMENT ADVISORY COMMITTEE  
Wednesday, May 4, 2011  
451 South State Street, **Room 326**  
City & County Building  
Salt Lake City, Utah  
*4:00 p.m.*

1. Roll Call.

Present:

Brian Wilkinson, Chairperson  
Robert Cottle, Vice-Chairperson  
Brenda Scheer, Member  
Michael Mahaffey, Member  
Robert Dodge, Member  
Sanford Barrett, Member  
Rosemary Beless, Member

Absent:

Brett Johnson, Member  
Chris Gamvroulas, Member

Also Present:

DJ Baxter, Executive Director  
Justin Belliveau, Deputy Director  
Jill Wilkerson-Smith, Project Manager  
Matt Dahl, Project Manager  
Edward Butterfield, Project Coordinator  
Jolynn Snider, Administrative Secretary  
Travis Pearce, Property Manager  
Ashlie Taylor, RDA Project Area Specialist  
Ben Davis, Project Coordinator  
Coty Shelton, Office Tech. I  
Darin Brush, Community Development Corporation of Utah  
Ben Logue, Tannach Properties

2. Briefing by the Staff

A. RDA Updates.

B. Loan Updates.

1. Loan Extension Policy

Mr. Dahl stated that in April 2011, the Agency came before RAC with proposed terms for borrowers requesting an extension on their RDA loan. In the memo staff provided RAC with several different options, one of the options provided included limiting the maximum extension term to two years requiring the borrower to make a payment that would equal 24% of their balloon payment at the end of the initial term and increase the interest rate. RAC said they agreed with that proposal, provided that it was made clear that the Board would review any extension requests. RAC also recommended allowing the borrower to request multiple two-year loan extensions.

Mr. Dahl said staff took RAC's recommendations to the RDA Board, and they proposed increasing the interest rate significantly to deter borrowers from seeking loan extensions. Staff has been working on the terms of the Loan Extension Policy and plans to present the final proposal to the Board at its May meeting.

3. Approval of the minutes of the April 6, 2011 meeting.

Mr. Cottle made a motion to approve the minutes from the April 6, 2011 RAC meeting. Mr. Mahaffey seconded the motion. Upon roll call, the motion passed unanimously.

4. Business

A. 2011/2012 BUDGET REVIEW OF DRAFT BUDGET AND SUPPLEMENTAL BUDGET NARRATIVE.

Mr. Baxter stated that since the April 2011 RAC meeting, staff has met with the Mayor and the RDA Board to discuss their recommendations on the 2011/2012 budget.

Mr. Baxter presented the supplemental budget narrative and explained the final changes to the 2011/2012 budget to RAC.

B. CONSIDERATION AND RECOMMENDATION OF AN AMENDMENT TO THE PURCHASE AND SALE AGREEMENT WITH TANNACH PROPERTIES L.L.C. FOR THE DEVELOPMENT OF AGENCY OWNED PROPERTY LOCATION AT 237-255 SOUTH STATE STREET AND 241 AND 247 SOUTH FLORAL STREET.

Mr. Dahl stated that in February 2011, Tannach came to the RDA and requested an extension of the outside closing date to May 31, 2011. Due to continuing financial negotiations, underwriting, and due diligence for the project, Tannach is requesting another extension to August 31, 2011 in order to complete the requirements for closing and securing all necessary financing for the project. Additionally, Tannach is seeking to modify the parking requirements in the Agreement.

Ms. Scheer made a motion to recommended approval of the extension and modifying the parking requirements within the Purchase and Sale Agreement. Mr. Barrett seconded the motion. Upon roll call, the motion passed unanimously.

C. REVIEW AND CONSIDERATION OF A REQUEST BY THE COMMUNITY DEVELOPMENT CORPORATION OF UTAH TO EXTEND EXCLUSIVE NEGOTIATIONS FOR THE ACQUISITION OF AGENCY-OWNED PROPERTY LOCATED AT 153 WEST 900 SOUTH.

Mr. Dahl stated that in March 2011, CDC came to RAC and the RDA Board with proposed plans for moving forward with the development of the property. That proposal included phasing the development of their project, partnering with Ivory Homes, and removing the small piece from the assemblage. Since that time, CDC has spent a significant amount of time dealing with contractual issues related to the design of the project. The issue prevented them from proceeding with required design changes until recently. CDC is therefore requesting that the exclusive negotiation period be extended until August 31, 2011 so that they can fully develop their proposal and return to the RDA with a new set of terms for the development of the property.

Ms. Scheer asked if there were more commercial spaces along 900 South in the original design. Mr. Brush said it was always considered flex space.

Mr. Dodge made a motion to recommend approving the extension. Ms. Beless seconded the motion. Upon roll call, the motion passed unanimously.

5. Adjournment.

There being no further business the meeting was adjourned.

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Brian Wilkinson, Chairperson