

MINUTES OF THE
760th MEETING OF THE
BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY OF SALT LAKE CITY
Tuesday, August 18, 2015
451 South State Street, Room 326
Salt Lake City, Utah
1:30 p.m.

I. 1:41:50 PM Roll Call.

The following members of the Board of Directors of the Redevelopment Agency of Salt Lake City were present:

Stan Penfold, Chairperson
Lisa Adams, Vice Chairperson
Luke Garrott, Director
Kyle LaMalfa, Director
Erin Mendenhall, Director
James Rogers, Director

Absent:

Charlie Luke, Director

Also Present:

Nichol Bourdeaux, Deputy Chief of Staff
D.J. Baxter, Executive Director
Jill Love, Executive Director Community and Economic Development

Others Attending:

Justin Belliveau, Deputy Director
Ed Butterfield, Senior Project Manager
Jill Wilkerson-Smith, Project Manager
Kort Utley, Project Manager
David Arteaga, Project Coordinator
Cara Lindsley, Project Coordinator
Shaké Agaronyan, Property Manager
Amanda Holty, Marketing and Communications Specialist
Crayola Berger, Accountant II
Jolynn Walz, Office Manager
Mia Caselli, Administrative Assistant
Damon Georgelas, Agency Legal Counsel

Tom Berggren, Attorney, Jones Waldo
Matt Dahl, Housing and Neighborhood Development
Dan Rip, Real Estate Services

2. 2:15:07 PM Briefing by the Staff.

Executive Director Baxter explained that Matt Dahl has resigned as the Agency's Senior Project Manager and accepted a position as the Deputy Director of Housing and Neighborhood Development (HAND). Mr. Baxter said the RDA staff was sad to see Mr. Dahl leave, but all wish him the best of luck in his new position.

Executive Director Baxter announced a ground breaking event at the Kiwanis Felt property, located at 440 South 900 East. The event will be held on August 19, 2015 at 10:00 a.m.

Executive Director Baxter invited the Board to attend an event at Granary Row which will include a special acknowledgement to those who have contributed to making the project a success. He stated the event will be held Friday evening from 6:00 p.m. to 7:00p.m.

Executive Director Baxter stated that later during the meeting the RDA Board will vote on a consent item to extend the life of the Granary Project Area Grant Program. If approved by the Board, this program would be used to help landowners with code compliance issues with their property. He added that he recently received a letter from Kirk Huffaker from the Heritage Foundation, stating that they also have funds set aside for rehab loans for buildings within the Granary area that have historic significance.

3. 2:17:27 PM Approval of the Minutes from the Meeting held June 9, 2015.

Director Mendenhall made a motion to approve the minutes from the meeting held June 9, 2015. Director Garrott seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

4. 2:17:55 PM Report of the Chief Administrative Officer.

Ms. Boudreaux expressed to the Board the Administration's excitement about the release of the Enterprise SLC Report from Natalie Gochnour at the David Eccles School of Business. Along with the report, Economic Development put out a 3-point pledge, which focuses on shift in culture in Economic Development, prioritizing commercial success and strengthening partnerships. All of this will be presented in more detail to the City Council at a later date.

5. 2:18:56 PM Public Comments.

Mr. Phips with MCRE stated that he and his company are very interested in developing in Salt Lake City and currently has a couple of properties under contract in the downtown area.. Next month, when the Agency reviews its loan programs, he asked the RDA Board to keep in mind how important and useful the RDA loans are, in order to rehabilitate historic structures. He praised the RDA and its loan programs for the focus on the historical restorations.

Director Mendenhall asked RDA staff to provide a briefing on available tools that can help with efficiency improvements in buildings over 25,000 feet. Executive Director Baxter replied that although the Agency does not have a loan program tied specifically to buildings with efficiency issues the Renovation Loan Program could be used to make those types of improvements.

Director Mendenhall requested that staff contact Project Skyline, an organization that is currently working on an efficiency programs in the City for buildings over 25,000 feet and larger.

Mr. Chapman expressed his concern about the homeless population and the lack of bathroom facilities for them within the Depot District Area, specifically around The Road Home. He suggested the RDA use one of its properties to provide services to the homeless, to prevent them from defecating on private properties and public sidewalks.

6. Redevelopment Business/Routine Matters.
None.

7. Redevelopment Business/Old Business.
A. 2:26:24 PM Consideration and Approval of Terms for the Request for Proposals for the Disposition of the Station Center Site 3 Property Located at 346 South 500 West
The Board will consider approving the terms for the Request for Proposals for the disposition of the Station Center Site 3 Property located at 346 South 500 West.

Ms. Lindsley provided a brief overview of the term sheet for the RFP for Site 3 of the Station Center Project. She stated that the RFP would be released August 31, 2015, with the selection process taking place November 2015, and then staff would return to the RDA Board December 2015 for final approval.

2:27:36 PM Director Garrott made a motion to approve the term sheet for the Station Center Site 3 property. Director Rogers seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

B. 2:27:49 PM Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Modifying the Terms of the Option to Purchase Agreement with Form Development for the RDA-owned Property Located at 167-169 South Regent Street and Authorizing the Allocation of Funding for the Purchase of the Property Located at 45 East 200 South.
The Board will consider modifying the terms of the Option to Purchase Agreement with Form Development for the RDA-owned Property Located at 167-169 South Regent Street and authorizing the allocation of funding for the purchase of the property Located at 45 East 200 South.

Ms. Lindsley said in June 2015 the RDA Board approved the Option to Purchase Agreement with Form Development, which provided two scenarios where the RDA could purchase the property located at 45 East 200 South. Today, staff is seeking approval to modify the Option to

Purchase Agreement and allow a third scenario that will authorize the RDA to purchase the property, if the developer purchases the property at 45 East 200 South, but does not proceed with the purchase of the RDA property on Regent Street. In this case, the RDA would commit to purchase the property at 45 East 200 South. Ms. Lindsley said staff is also seeking approval to allocate the funds for the property purchase should any of the three scenarios come to fruition.

2:31:43 PM Director LaMalfa made a motion to approve the modification of the purchase agreement with Form Development, and the allocation of funding with the condition that any unused funding be returned to the original account. Director Luke seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

8. Redevelopment Business/ New Business.

- A. 2:32:21 PM Loan request from Central Ninth Development Partners
Consideration of a resolution approving a loan to Central Ninth Development Partners.

Mr. Utley said Central Ninth Development Partners have requested a \$500,000 loan from the RDA to construct a commercial project located at 153 West 900 South in the West Temple Gateway Project Area. He added that this loan requires consideration from the Board of Directors due to some proposed modifications of RDA's standard loan terms.

Mr. Utley said the Applicant has requested the majority of the financing from the Greater Salt Lake Development Cooperation (GSLDC) and is waiting for approval from them. He said the term sheet states that if the borrower is unable to obtain financing from GSLDC, the RDA would finance the project as the lender of last resort, bringing RDA's total contribution to \$1.5 million. Mr. Utley explained that the RDA loan committee was not in favor of this option and felt that the developer should return to the loan committee if GSLDC financing falls through.

Director Garrott said that he felt the developer should return to the RDA Board of Directors if additional financing is required.

2:42:00 PM Director Rogers made a motion to approve the loan request submitted by Central Ninth Development Partners and to allow the RDA to finance the entire \$1.5 million, if the borrower is unable to receive financing from GSLDC. Director Mendenhall seconded the motion. Chairperson Penfold declared the motion approved with Director Garrott voting nay.

- B. 2:42:16 PM Consideration and Recommendation of Terms for a Grant Agreement between the Redevelopment Agency of Salt Lake City and Centro Civico Mexicano for a Limited Site Investigation of Property located at 155 South 600 West
The Board will consider approving the terms for a grant agreement between the Redevelopment Agency of Salt Lake City and Centro Civico Mexicano for a Limited Site Investigation of Property located at 155 South 600 West.

Ms. Wilkerson-Smith stated the Centro Civico is requesting \$6,622 to cover 50% of the cost of a Limited Site Investigation of the Centro Civico Mexicano Property. The applicant plans to build

a Senior Housing and Civic Center once the remediation is complete and it receives tax credit financing for the project.

Ms. Wilkerson-Smith said the Redevelopment Advisory Committee (RAC) has reviewed the request and recommended that the RDA Board approve funding the grant on the condition the Applicant successfully obtains low income housing tax credits for the housing project. She said since low income housing tax credits are not awarded until December 2015, the Applicant requests that the RDA Board approve the grant prior to its tax credit application that will be submitted in October.

Vice-Chairperson Adams expressed her excitement for this project and stated she was very happy to have the Redevelopment Agency involved in it.

2:44:30 PM Director Garrott made a motion to approve the term sheet for a grant agreement between the RDA and Centro Civico Mexicano. Director LaMalfa seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

- C. 2:44:58 PM **Consideration and adoption of a resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City authorizing the release of a restrictive covenant on the property located at 141 West 200 South Street deeded to Salt Lake City Corporation**
The Board will consider adopting a resolution authorizing the release of a restrictive covenant on property located at 141 West 200 South.

Ms. Agaronyan stated that staff is requesting the release of a restrictive covenant on the property located at 141 West 200 South. She said that the Board authorized deeding the property to Salt Lake City Corporation in 2008, subject to a restrictive covenant that required the City to continue to have the parcel used as a midblock walkway and guarantee public access. She explained that this action is needed to allow Salt Lake City Corporation to transfer the property to the adjacent property owner to construct a proposed hotel development. The developer feels that the additional 5 feet is pertinent to the overall development. Ms. Agaronyan assured the RDA Board that releasing the covenant would not adversely affect the existing mid-block walkway and that the hotel developer would be responsible for replacing and improving pedestrian access on the walkway in accordance with the City guidelines for midblock connections. Salt Lake City Corporation will retain ownership of the existing mid-block walkway and the requirement for the Parcel to be designated as a pedestrian easement will continue.

Director Garrott stated that he wants to ensure that the midblock walkways are continuous and ADA accessible. Chairperson Penfold agreed and questioned whether the City's guideline would assure that the pedestrian walkway would be adequately constructed. Mr. Dahl explained that the City's design standards for midblock walkways are governed by previously approved guidelines that were set by the Planning Division. Due to these standards, Mr. Dahl felt it would be an ongoing administrative function of the City's Real Estate Services to meet and finalize the negotiations with the developer to ensure that the developer constructed the walkway adequately.

2:55:10 PM Vice-Chairperson Adams made a motion to adopt and approve the resolution to

release the restrictive covenant on property located at 141 West 200 South with the conditions that the walkways are continuous and are ADA accessible. Director Garrott seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

- D. **2:55:58 PM Project Area Creation Process Update**
Staff will present the research requested by the Board on the seven potential project areas.

Mr. Butterfield and Ms. Wilkerson-Smith provided an overview of the project area selection process and described the organization of research provided on the seven short listed areas.

Chairperson Penfold explained that today's discussion would mainly be informational in order to help select priorities for the next part of the process.

Director Mendenhall thanked RDA staff for the information gathered and presented. She suggested asking a representative from the Salt Lake City Police Department to come to a future meeting to provide context to the information provided in the evaluation criteria. She also asked for information how the RDA can partner with HAND to address affordable housing.

Director LaMalfa asked staff to provide information that shows how the new proposed project areas correspond to recently adopted Salt Lake City plans. Mr. Butterfield stated that staff will compile this information with the assistance of Salt Lake City Planning Division and resubmit to the Board to utilize when reviewing the evaluation criteria.

Director Mendenhall stated that she wants to ensure that affordable housing is part of the discussions for new project areas. Vice-Chairperson Adams agreed. Mr. Butterfield suggested that once the Board has selected the areas that it wants included on the final short list, RDA staff can perform an in depth study of the overall needs for each area, which would include housing, zoning, and land use.

Vice-Chairperson Adams thanked the RDA staff for the time they have put into preparing and creating this presentation. She urged Board members to take the information, review it, and email any additional questions to staff and please include all the Board Members in those emails. She asked all Board members to come to the September meeting ready to narrow down the list.

Director LaMalfa asked his fellow Board members to bear in mind that when selecting a new project area, the RDA has a specific role and that other City tools exist to leverage redevelopment opportunities.

9. Consent.

3:40:42 PM Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City to Reactivate and Extend the Terms of an Approved Building Renovation Loan to Telegraph Exchange, LLC.

The RDA Board is being asked to consider adopting a resolution to reactivate and extend the terms of a \$3,000,000 Building Renovation Loan on behalf of

Telegraph exchange. If the resolution is adopted, the loan proceeds will be used to further finance the ongoing residential conversion of an office building located at 180 South 300 West

- A. **Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City Approving the Extension of the Exclusive Negotiation Period with Artspur Revitalization Group, for the Development of RDA Owned Property Located at 244 South 500 West**
The Board will consider an extension of the exclusive negotiation period with Artspur Revitalization Group, for the Development of RDA owned property located at 244 South 500 West
- B. **Discussion and Approval of an Extension to the Granary District Adaptive Reuse Loan Program**
The Board will consider extending the Granary District Adaptive Reuse Loan Program through August, 2017.

3:42:50 PM Director Garrott made a motion to adopt the consent agenda items. Director LaMalfa seconded the motion. Upon roll call Chairperson Penfold declared the motion unanimously approved.

10. Written Briefings.

- A. 3:43:00 PM Status Report on RDA Loan Portfolio
Semiannually, staff provides an update to the Board and RAC on the current status of the Agency's loan portfolio.

Chairperson Penfold requested that the Board look over the written briefing on the status report on the RDA Loan Portfolio provided by the Redevelopment Agency Staff.

11. Closed Meeting.

- A. 1:42:03 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 LaMalfa made a motion to enter into a closed meeting to discuss matters of property acquisition/disposition; Vice-Chairperson Adams seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

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 room 326 1:45 PM on Tuesday, August 18, 2015.

The following members of the Board of Directors of the Redevelopment Agency of Salt Lake City were present: Stan Penfold, Chairperson; Lisa Adams, Vice Chairperson; Kyle LaMalfa, Director; Luke Garrott, Director; Erin Mendenhall, Director; and James Rogers, 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; Nicol Bourdeaux, Deputy Chief of Staff; Damon Georgelas, Legal Counsel; Cara Lindsley, Project Coordinator.

Others present: Crayola Berger, RDA Accountant; Jolynn Walz, Office Manager; Mia Caselli, Administrative Assistant.

The Board discussed the acquisition/disposition of real property.

There being no further business, Chairperson Penfold called for a motion to exit the closed meeting. Director Garrott made a motion to exit the closed meeting and Director LaMalfa seconded the motion. Upon roll call Chairperson Penfold declared the motion unanimously approved and the closed meeting was adjourned at 2:10 PM.

2:14:55 PM Chairperson Penfold reconvened the open meeting.

12. 3:43:06 PM Adjournment.

Vice-Chairperson Adams made a motion to adjourn the meeting. Director Garrott seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.



Stan Penfold, 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 August 18, 2015.