

CITY OF SOUTH SALT LAKE REDEVOLEPMENT AGENCY
MINUTES OF MEETING HELD
May 11, 2016

Date/Time/Place Wednesday, May 11, 2016
8:00 p.m.
220 East Morris Avenue #200
South Salt Lake, Utah 84115

Conducting Ben Pender, Chair

DIRECTORS PRESENT:

Sharla Beverly, Mark Kindred, Portia Mila, Ben Pender
Kevin Rapp, Shane Siwik, and Debbie Snow

STAFF PRESENT:

Mayor Cherie Wood
Kyle Kershaw, Finance Director
Randy Sant, Economic Development Consultant
Mike Florence, Community and Economic Development Director
Mont Roosendaal, Public Assets Director
Craig Burton, City Recorder
Paula Melgar, Deputy City Recorder

Others Attending: None.

The meeting was scheduled to start at 8:00 p.m. but started at 9:39 p.m.

Opening Ceremonies

1. **Roll Call.** All directors present.

No Action Comments

1. **Bills, Claims, and Communications.** None.
2. **Report of the Executive Director.** Mayor Wood reported that next Tuesday the Intermark building on Main Street and 2100 South will be demolished. They are about two weeks out for the demolition of the Pearson Tire building and the Inkley's building.

Community and Economic Development Director, Mike Florence, reviewed moving a billboard on Main Street near 2100 South owned by Reagan Advertising. Staff will bring an agreement for the Board's review to relocate the sign.

Unfinished Business

- 1. **Review of Zellerbach Project.** Economic Development Consultant, Randy Sant, advised the Board that he is not ready to talk about this tonight. They are still in the process of putting an application together for the project. He wanted to alert the Board that this is in the Streetcar Community Development Project area. Staff has been approached by the developers saying they would like to have some tax increment participation on that development. Mr. Sant wants to come back to the Board and see what their feelings are for participation but he would like to have more detail on it and get something in their packet so they will have a few days to look it over before they do it.

Mr. Sant gave an update on the Winco project. Demolition is underway on one of the buildings and they have bids for demolition on the other buildings they own. The environmental issue continues to be an issue that they are diligently working through. Winco has put their foot down on what they want done to close. So staff is coming back with a proposal that will probably just clean the site to industrial standard levels. Staff is looking at only participating on part of that cost with cash up front and Boyer coming to the table with the rest of the cash and we will work out a deal with Boyer to reimburse them on that. To get Winco to the point of being comfortable they need to do that. It is the last thing they have to resolve to get it done and closed. This has been a significant issue that they need to work through and they are making great progress. Building plans for Winco have been submitted to the City. They have been reviewed and comments have come back so everyone is moving forward with the project happening but to close on the property they have to resolve the environmental issue to a level that is satisfactory to Winco.

The Board then went back to approval of minutes.

Approval of Minutes

April 27, 2016. Director Rapp moved to approve these minutes.

MOTION:	Kevin Rapp
SECOND:	Portia Mila
<u>Voice Vote:</u>	
Beverly	Aye
Kindred	Aye
Mila	Aye
Pender	Aye
Rapp	Aye
Siwik	Aye
Snow	Aye

New Business

- 1. Review and discussion of proposed 2016-2017 RDA Budget.** Finance Director, Kyle Kershaw, handed out a copy of the tentative 2016-2017 RDA Budget to the Board. A copy is attached and incorporated by this reference.

Mr. Kershaw reviewed the list of RDA projects generating tax increment. Most have been retired so the increment is going down. The estimated increment for the 2016-2017 Budget is \$250,000. The main source of revenue in the RDA is the transfer from the City's General Fund. Part of that is dictated by the bond debt service requirements. This year it is about \$945,000. The rest that is contributed over is the city option sales tax that they use to fund the economic development activities in the RDA. A couple of years ago the City Council gave the direction that the RDA was to be the economic development arm of the City. That is why they transfer money over to cover some of those costs.

In the past, City Councils have contracted with the South Salt Lake Chamber of Commerce to do certain activities and they have a contract to pay them about \$52,000 a year for what they do on economic activities in the City.

Mr. Kershaw explained that when they sell the property to Winco and Boyer staff wants to use some of the proceeds as seed money to begin development on the south side of the property on the Streetcar line that they call the D'Ambrosio property. The amount would be approximately \$525,000. The breakdown is on the Due Diligence Requirements page of the handout.

There are two separate loans between the RDA and City. One is for two million dollars to purchase the Pearson property and the other to purchase the D'Ambrosio property. The RDA will return two million back to the City's Capital Fund and the Pearson piece will be satisfied. They still have one million dollars for the D'Ambrosio property. When they get it developed and it sells, the first million dollars will go back to the City's Capital Fund and then the RDA will have filled its obligation to the City.

The RDA budget is very project oriented and driven. The vast majority of the costs have to do with the development over on State Street.

Economic Development Consultant, Randy Sant, advised that they have a proposal from Boyer to develop the D'Ambrosio property which they will bring back to the Board. He thinks they will be very pleased with what they are proposing to build on that property. It is office, hotel, retail, and just a little bit of housing. They have the first right of refusal and Boyer has indicated they would like to move forward with that. They would like to come right in and start talking the development on that property just as soon as Winco is finished up. That is why staff wants to get all of the due diligence done so they are ready to go. Hopefully they will see something starting on that, even this year if possible. That is why they are proposing to take the proceeds off of the land sale, help do the due diligence, and then when they get the purchase price from that property most of that money can come back to the RDA and they can use it to retire the bond, etc.

Mr. Kershaw recommended that the Board hold a public hearing on the budget on May 25, 2016 and then schedule another RDA meeting in June to adopt it.

Board Member Siwik asked where Mr. Sant's fee was in this budget.

Mr. Sant explained that it is in Economic Development Contract. The number has gone down from when he was first retained by the City.

Board Member Siwik asked what the Project Professional line is.

Mr. Sant explained that is for all professional and technical type services other than the economic development contract.

Board Member Siwik asked what the administrative salaries are.

Mr. Kershaw explained that it is to allocate the true cost of staff time to the RDA.

Board Member Siwik asked what the percentages were for those people.

Board Member Snow asked for the breakdown on that.

Mr. Kershaw said he would get that information to them.

Board Member Snow asked who was in the Board Member Salaries line item.

Mr. Sant reminded the Board that each member signed a form as to whether they wanted the compensation or not. That is what this line item is for. It is a very typical practice for RDA's. Other communities compensate their Board Members for serving on the RDA Board. Some do and some don't.

Board Member Siwik ask if it was just for the seven Board Members.

Mr. Kershaw advised that the Mayor's salary comes out of there as well.

Director Pender asked if the Board was good holding a public hearing on the Budget on May 27, 2016.

All of the Board Members were in favor.

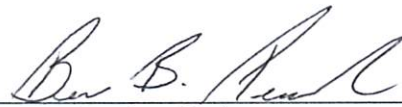
Director Kindred moved to adjourn.

MOTION: Mark Kindred
SECOND: Debbie Snow

Voice Vote:

Beverly	Aye
Kindred	Aye
Mila	Aye
Pender	Aye
Rapp	Aye
Siwik	Aye
Snow	Aye

Redevelopment Agency adjourned at 10:29 p.m.



Ben B. Pender, Chair



Craig D. Burton, RDA Secretary

