

CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY  
MINUTES OF MEETING HELD  
June 8, 2016

Date/Time/Place	Wednesday, June 8, 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  
Charee Peck, Chief of Staff  
Lyn Creswell, City Attorney  
Kyle Kershaw, Finance Director  
Randy Sant, Economic Development Consultant  
Mont Roosendaal, Public Assets Director  
Frank Lilly, Deputy Community and Economic Development Director  
Craig Burton, City Recorder  
Paula Melgar, Deputy City Recorder

Others Attending: See Attached

The meeting was scheduled to begin at 8:00 p.m. but began at 9:35 p.m.

**Opening Ceremonies**

1. **Roll Call.** All present. Director Mila participated electronically via telephone.

**No Action Comments**

1. **Bills, Claims, and Communications.** None.
2. **Report of the Executive Director.** None.

**Approval of Minutes**

**May 25, 2016.** Director Beverly moved to approve these minutes.

MOTION:	Sharla Beverly
SECOND:	Mark Kindred

Voice Vote:

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

**Unfinished Business**

- 1. Review of Zellerbach project.** Economic Development Consultant, Randy Sant, recounted that a few years ago the RDA created a Community Development Project for the Streetcar Line. That project takes most of the development along the track and goes up to 400 East. They have a developer that is moving forward with the Zellerbach project which is 292 apartments. As they have reviewed their project they have requested that the RDA consider participating with them in tax increment financing. They are investing a total private investment of \$61 million dollars. As they ran their numbers they have about a \$5 million gap. Because they are not on a busy intersection they are unable to charge a higher rent. They have asked that the RDA fund half of that gap and they would come up with the additional money through equity. About \$1.5 million would be to make up for the rent and another million for infrastructure.

Staff has reviewed their request and feels it is probably more deserving of a participation of about \$1.7 million. They do not believe the million the developer has asked for infrastructure is infrastructure that they would reimburse. It is extraordinary, outside of what a normal developer would do. They do believe they are going to spend \$430,000 to landscape the S-Line. When staff put the budget together they said they would look at asking for seventy-five percent of the tax increment, with fifty percent of that going to the developer and the RDA keeping fifty percent so they could begin to build a pot of money they could use to make improvements that need to be done in that project area. If the developer would agree to do that as part of his project they would consider participating with him. In this case they have agreed to come in and landscape the S-Line. They don't have to and are not required to. They could leave it as it is but they felt like it makes a better project. When staff looked at their numbers they came up with about a \$1.4 million subsidy for the rent and about \$370,000 for the landscaping. They replied back saying if they move forward with the budget it would be for about \$1.8 million. Of that \$1.8 million, the City would be contributing about \$19,000. The \$1.8 million is for fifteen years and the property tax given up would be about nineteen percent. That comes up to about twenty thousand dollars and the RDA would get about six thousand dollars they would keep because they would keep twenty-five percent of that number.

Mr. Sant reviewed what steps would have to be taken if the RDA approved the participation. He asked if they would like to move forward with looking at participating with the developer to an amount not to exceed \$1.8 million dollars.

The sewer line is at capacity in the area and there may need to be some money with that. At the time staff understood the developer didn't want to pay impact fees. If they don't then we will take increment from the \$1.8 million and give it to the City to offset part of that cost they would loose from the impact fees. So this could be reduced by about \$300,000 if it is something they pursue but it will not be higher than \$1.8 million dollars.

Director Beverly asked what happens if the taxing agencies don't agree to participate.

Mr. Sant said it would be the developer's problem. If that happens, the developer may decide not to move forward with the project and just tear down the building and sell the property.

Director Kindred moved to place this on Unfinished Business on the June 22, 2016 RDA meeting.

MOTION Mark Kindred

SECOND Debbie Snow

Voice Vote:

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

2. **2016-2017 RDA budget discussion.** Mr. Sant explained that staff is not sure if they will be able to close on the 2100 South property before the end of the fiscal year because they still have the environmental issue they are working on. They are waiting on costs associated with the plan that they have put together to clean the property up. Once they have the costs they will have a conversation with Boyer on a way to move forward and pay for those. Once they have the costs, the plan, and the State buys off on the plan, staff is hoping Winco will agree to that and be willing to sign the lease and close on the property, even though the work hasn't been done yet. Everything is ready to go and they could close before the end of the fiscal year but, to protect the agency if they don't, they want to take the same amendment and put it into the 2017 Budget which would save staff from coming back in July or August and having the Board amend the budget.

Chairman Pender asked what would happen if they included these costs in the 2017 budget and then closed before the 2016 fiscal year end.

Finance Director Kyle Kershaw recommended that in a 2017 meeting they would do a budget adjustment and take the amounts out. It does not require a public hearing when you reduce a budget.

Chairman Pender felt it would be best to include the amounts in the 2017 Budget so they can keep things moving forward on the project.

Mr. Kershaw said staff would bring an updated budget with the numbers included that they talked about tonight.

Mr. Sant advised that they would need to bring a resolution that officially adopts the budget.

Director Siwik moved to place this on Unfinished Business at the next RDA meeting on June 22, 2016.

MOTION Shane Siwik

SECOND Kevin Rapp

Voice Vote:

Beverly Aye

Kindred Aye

Mila Aye

Pender Aye

Rapp Aye

Siwik Aye

Snow Aye

Director Rapp moved to adjourn.

MOTION: Kevin Rapp

SECOND: Debbie Snow

Voice Vote:

Beverly Aye

Kindred Aye

Mila Aye

Pender Aye

Rapp Aye

Siwik Aye

Snow Aye

Redevelopment Agency adjourned at 10:00 p.m.

  
Ben B. Pender, Chair

  
Craig D. Burton, RDA Secretary

