

CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY  
MINUTES OF MEETING HELD  
July 27, 2016

**Date/Time/Place** Wednesday, July 27, 2016  
6:06 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  
Randy Sant, Economic Development Consultant  
Mike Florence, Community and Economic Development Director  
Frank Lilly, Deputy Community and Economic Development Director  
Dennis Pay, City Engineering  
Scott Turnblom, Information Technology Manager  
Craig Burton, City Recorder

Others Attending: See Attached

**Opening Ceremonies**

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

**No Action Comments**

1. **Bills, Claims, and Communications.**
2. **Report of the Executive Director.** Mayor Cherie Wood reported that the City has received the Cleanup Action Plan from the State on the first phase of downtown. Staff is putting the contract together right now and plan to be starting the cleanup on August 8.

**Approval of Minutes**

**July 13, 2016.** Director Snow moved to approve these minutes.

**MOTION:** Debbie Snow  
**SECOND:** Kevin Rapp

Voice Vote:

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

**Unfinished Business**

- 1. Zellerbach project.** Adam Siegman, of Watt Investment Partners, and Mark Issac, of Pinyon 8 Consulting, reviewed a presentation on the proposed project to be built on the Zellerbach property site. A copy is attached to these minutes and incorporated by this reference.

Mr. Issac advised the Council that they are looking to have assistance on the unique circumstance. There is 700 feet of linear footage that UTA isn't going to do anything with unless they do a second line. They will do the project whether the City helps them or not but their help will allow them to do things that you don't normally budget. A plaza on a streetcar stop, landscaping on UTA land that won't happen unless they do it, added frontages, and increases in storm drain capacity. They can do more with the City's participation and partnership.

Director Snow asked if the developers would speak to the difference between the current proposed project and the first one proposed over a year ago.

Mr. Siegman explained that the original project did not get the approval of his investment committee nor their partner's investment committee.

Mr. Issac said it just didn't pencil. It didn't make enough money for the improvements on the site. That's why that project is not being contemplated nor is it approved. The current project is the approved project.

Director Snow said she is interested in the tiered Proposal where this one appears to be four stories on all sides with no ramp down as it heads towards the single family homes.

Director Siwik asked for clarification on the retail component of the project.

Mr. Issac advised that there is no retail in this project. They scuttled that when they saw how much work the City was doing on the Winco site, the Boyer Development, and the State Street side that is a transit stop away. They have commercial on both sides of their project they didn't think a mid-box location would survive.

Community and Economic Development Director, Mike Florence, explained that this development does meet the form based code. With the fence, landscaping, parking, a

two-way road, parking and landscaping, it gives them over fifty feet of setback so they are allowed to go up to four stories at that point.

Mr. Issac agreed. They have moved the building much further away from the residential boundaries than it was originally.

Director Pender asked if the road was going to go from 300 East to 400 East.

Mr. Issac said it would and the idea is to try and deflect and have their own created traffic, internal to their site, and not using Haven Avenue as a slip stream or a speed route. It is a traffic calming measure.

Director Pender asked if the street would be for overflow for others to park on the street.

Mr. Issac said it is exactly that, for overflow and guest parking. The parking lot is built to put people right by the door of their apartment so the street will be the last place they want to park.

Director Kindred feels they have done a great job of mitigating the parking garage as it faces out to residential.

Director Pender asked for clarification on the affordability of the apartments.

Mr. Siegman explained that what they had heard from the City was a big aversion to affordable; this will be market rate housing. They are trying to deliver the best product they can. They are trying to compete with Sugarhouse and projects downtown.

Mr. Issac advised that they are anticipating good rents. They anticipate a two bedroom unit will be \$1,800 a month. It is not inexpensive living. It is for the people who don't want to live in a home, can't qualify for a mortgage or the young professional who chooses not to.

Economic Development Consultant, Randy Sant, reminded the Board that staff had asked them to allow them to go forward with the process of determining whether or not the other taxing entities would be willing to provide tax increment financing to this project. The request was for \$2.7 million dollars of tax increment and staff cut that back to \$1.8 million. What staff felt was justifiable for participation was to participate in the cost of the landscaping of the streetcar line which was estimated to be about \$456,000 and some of the infrastructure costs which were \$1.4 million which includes \$300,000 for environmental remediation; \$370,000 for demolition of the buildings; \$413,000 to solve a storm water problem; and staff felt they needed to have some increment to help go towards the potential sewer that would need to be upgraded, which was about \$340,000. They would be asking the taxing districts to provide seventy-five percent of the property taxes, that's the increase over and above the forty-one thousand dollars that is being paid today. That's the base year value.

They would ask for seventy-five percent of that for fifteen years or until the cap of \$1.8 million had been paid, whichever comes first. Of that \$1.8 million, approximately \$350,000 to \$400,000 would be the City's proportionate share over the fifteen years, with the balance coming from the other taxing districts.

If the Board were to approve that, staff would start going to the other taxing entities and request for that tax increment participation of \$1.8 million dollars, seventy-five percent or fifteen years, whichever comes first. Once they have gone through that process and have an agreement from each one, they will come back to the RDA Board and have them formally adopt those inter-local agreements. If the Board approves this recommendation, they are allowing staff to start the process of getting tax increment.

Director Beverly sees this project as a catalyst and something the City deserves.

Director Kindred asked what the timeline would be for this.

Mr. Sant said he hoped within six months they would have all the approvals.

Director Snow asked if they could save the tax dollars and put \$15,000 a year into landscaping the project.

Mr. Sant said he didn't know how much landscaping they would be able to do with \$15,000 a year but in this case, they have a developer who is going to do it all; one whole block of landscaping. They are going to upfront the money. It is post performance, meaning they don't get a dime back until they build their project and it is on the tax rolls. Then they will take that \$450,000 investment and pay for it over fifteen years. They are much better off to have the developer do this, and pay him back for fifteen years, than for the RDA to put fifteen thousand in a budget each year and be a piecemeal project.

Directors Siwik, Rapp, Kindred, Mila all expressed they were in favor of moving forward with this process.

City Attorney, Lyn Creswell, advised the Board that the City currently does not have any legal right to do anything in the UTA right-of-way because they declined the right earlier. Staff has had active discussions with UTA about acquiring the right-of-way south of the line to allow landscaping. One of the concerns staff has is uniformity of landscaping along the S-Line so each property owner doesn't develop something different. They have come up with a concept of landscaping that would allow the landscaping as it is developed, with the City holding the easement on the line, to have nice uniform landscaping. That would have to be approved by the City Council as an amendment to the agreement between the UTA and the City.

Mr. Issac informed the Board that the developer has an access and landscape agreement in place with UTA.

Director Siwik moved to approve proceeding on the Zellerbach project tax increment with the taxing entities with the caveat that staff work with UTA diligently to acquire the needed right-of-way.

MOTION Shane Siwik  
SECOND Portia Mila

Roll Call Vote:

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

- 2. **Economic Development Discussion.** Mr. Sant, said staff would like to come back and meet with the Board in a future meeting. They have an economic development strategic plan that has been completed and they would like to present that. Then they would like to set up a series of work meetings to come back and talk about how they want to move forward with the economic development program.

Director Beverly moved to adjourn.

MOTION: Sharla Beverly  
SECOND: Kevin Rapp

Voice Vote:

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

Redevelopment Agency adjourned at 7:04 p.m.

  
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Ben B. Pender, Chair

  
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Craig D. Burton, RDA Secretary

