

CITY OF SOUTH SALT LAKE REDEVOLEPMENT AGENCY  
MINUTES OF MEETING HELD  
May 10, 2017

Date/Time/Place Wednesday, May 10, 2017  
6:00 p.m.  
220 East Morris Avenue #200  
South Salt Lake, Utah 84115

Conducting Kevin Rapp, Chair

**DIRECTORS PRESENT:**

Sharla Beverly, Mark Kindred, Johnny McConnell,  
Portia Mila, Ben Pender, Kevin Rapp and Shane Siwik

**STAFF PRESENT:**

Mayor Cherie Wood  
Lyn Creswell, City Attorney  
Kyle Kershaw, Finance Director  
Randy Sant, Economic Development Consultant  
Alexandra White, City Planner  
Craig Burton, City Recorder  
Ariel Andrus, Deputy City Recorder

Others Attending: See Attached

**Opening Ceremonies**

1. **Roll Call.** All board members present.

**No Action Comments.**

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

**Approval of Minutes**

**April 12, 2017.** Director Pender moved to approve these minutes.

MOTION: Ben Pender  
SECOND: Portia Mila

Voice Vote:

Beverly	Yes
Kindred	Yes
McConnell	Yes
Mila	Yes
Pender	Yes
Rapp	Yes
Siwik	Yes

**New Business**

- 1. Review and Discussion of Proposed 2017-2018 RDA Budget.** Finance Director, Kyle Kershaw, reviewed a handout of the proposed budget with the Board. A copy is attached to these minutes and incorporated by this reference. He explained that the budget represents a couple of initiatives that the City is going to be undertaking. One, to begin the process of preparing property for sale south of the Street Line. This budget entertains doing some soils remediation and other stabilization projects. Also, the City Council deemed the RDA to be the economic development arm of the City. Pursuant to that is some funding for some legislative consulting increases to deal with the homeless shelter at next year's legislative session. Economic Development Consultant, Randy Sant, as well as some other consultants will be spending additional time on the City's behalf up at the legislature because there have been some commitments made to the City by the State and Salt Lake County, and they have to ensure, through the legislative process, that those commitments are lived up to.

The tax increment is steadily declining because there were about fifteen project areas that were providing property tax increment and now they are down to two or three.

Staff is also expecting a \$500,000 reimbursement to the City for some soil stabilization that is happening on the Winco site. Seven hundred and fifty thousand dollars was put into escrow to pay for the stabilization. So far, they haven't run into the situation that the GR technical report said they would. They haven't had to use much of it and what hasn't been used will be returned to the RDA. This is an estimated amount. The City is also negotiating the sale of a piece of property and when they sell the property south of the streetcar line, it could appraise for more than originally planned. Staff feels one of these three things will happen but they don't know which one. They have put this \$500,000 in and named it Soils but it could be sale of property or something else. The commitment they are making to the RDA Board is that they won't take on any of the projects that are supported by this revenue until they are sure they will have it. It has been put in the budget to make sure it is there but they will not spend it until they know they have it. The projects may have to wait until there is a revenue source.

The other major increase is the outstanding fifteen million dollar bond. The way the bond issue was structured was the annual debt service for the first five years was about \$950,000. We are now going into year six and it steps up to about \$1,240,000. That is the way the debt was structured. The original anticipation was that there

would be something built by now generating property tax revenue that would help offset the increase. Staff hopes that next year they will have one or more things constructed on the site which will be generating property tax increment that they can use to defray some of the costs of the bond expense.

Board Member Pender asked what the Project Professional/Technical account was.

Economic Development Consultant, Randy Sant, explained that it takes care of other expenses they have outside of his contract such as outside attorney fees and studies.

Board Member Pender asked why there is a jump in that account in this year's budget.

Mr. Sant explained that they are anticipating they may have some additional attorney fees because of some of the properties they are closing.

Board Member Siwik asked if there was anything in the budget for environmental cleanup.

City Attorney, Lyn Creswell, advised the Board that in every project they have had significant environmental review and mitigation costs. Going forward they need to anticipate unknown additional costs for environmental compliance.

Board Member Siwik asked if there is anything in the budget for environmental cleanup.

Mr. Sant advised that there is \$100,000 in the budget for it. They don't know if that will be enough. They know they have a gas tank that will need to be removed. Under the environmental program there is a fund to take care of underground tanks that haven't been removed. The plan is to approach the State for funding to remove that but they will probably have to front that cost and then get reimbursement. Their environmental engineer does not believe that the spills that might be associated with that tank have gone outside the perimeter of the tank. They are hoping that the costs of cleaning it up will be covered by the State.

Mr. Kershaw advised that there is \$100,000 in the budget for infrastructure. That is envisioned for street lighting along State Street and 2100 South.

Board Member Kindred asked why they didn't have anything in previous years for soils, professional services, etc. and now they've come to the Boyer property and they have \$700,000 in soil remediation.

Mr. Sant explained that Winco had their own geotechnical study done and it came back saying the soils were not stable. They estimated how much soil needed to be removed and that is why they have put up \$750,000 in escrow. If they don't find that problem as bad as anticipated the money comes back to the RDA from the sale of the property. To date they have not found the problems their environmental engineer

indicated there were.

Mr. Kershaw added another reason was they haven't done a project in ten years.

Mr. Sant advised that they will go back after those property owners that caused the environmental contamination and try to collect their money. They are allowed to that under the law.

Board Member Siwik asked what the \$140,000 for S-Line Professional was for.

Mr. Kershaw answered that was for engineering and testing on the Streetcar.

Board Member Siwik expressed that professional services expenses in the budget seemed high and asked if any of it could be done in-house.

Mr. Sant said that anything they can do in-house they do.

Mr. Creswell advised there are two things that RDA projects are often involved with that he needs outside legal support for. The primary one is environmental items. The second most complex area of regulatory law is environmental law. You have to bring in an outside expert. The other one has to do with condemnation. Sometimes they have to use their governmental powers to acquire a piece of property. That is also an expertise that they do not have in-house. They also have to bring in someone if they have a water rights issue.

Board Member Siwik asked about engineering costs. When do they need to bring in an outside engineer?

Mr. Sant explained that when he is doing these projects he consults with the City Engineer on everything and lets him tell him what he can and can't do. He can't do the environmental engineering so they have to contract that. He advised that staff has a good real estate background and because of that, they did not pay a commission on any of the property they have done which is a six percent savings. While they have some costs for other things, there is also some significant savings that they have had because of in-house expertise. They do not use and spend the money unless they have to. They try to manage it as best they can.

Board Member Kindred asked how many active projects areas they currently have.

Mr. Sant said they have four. WestTech, Market Station, which is the Winco and the D'Ambrosio property, Central Point, which property takes everything around State Street, except for where the Honda dealer is, to 2100 South and State Street to 300 West and 2100 South to the I-80 overpass, and the Streetcar project area.

Board Member Kindred asked if there is a possible project area on 3900 South.

Mr. Sant said there are some additional project areas they would like to look at

creating. One was in the 3900 South area. They've also talked about the 3300 South area.

Mr. Kershaw suggested they hold a public hearing for the RDA budget in two weeks.

The Board agreed to hold the public hearing for the budget on May 24, 2017.

- 2. **Basic RDA Training.** Mr Sant reviewed a presentation on redevelopment law with the Board. A copy is attached to these minutes and incorporated by this reference.

Director Kindred moved to adjourn.

MOTION: Mark Kindred

SECOND: Shane Siwik

Voice Vote:

Beverly	Yes
Kindred	Yes
McConnell	Yes
Mila	Yes
Pender	Yes
Rapp	Yes
Siwik	Yes

Redevelopment Agency adjourned at 6:58 p.m.

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Kevin D. Rapp, RDA Chair

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Craig D. Burton, RDA Secretary