

CITY OF SOUTH SALT LAKE REDEVELOPMENT AGENCY
MINUTES OF MEETING HELD
July 12, 2017

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| Date/Time/Place | Wednesday, July 12, 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
Hannah Vickery, Assistant City Attorney
Randy Sant, Economic Development Consultant
Mike Florence, Community and Economic Development Director
Frank Lilly, Deputy Community and Economic Development Director
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 were in attendance.

No Action Comments.

1. **Bills, Claims, and Communications.** None.
2. **Report of the Executive Director.** Mayor Wood asked Economic Development Consultant, Randy Sant, to give a report to the Board.

Mr. Sant advised the Board about Phase 2 of the downtown development. Under the property purchase agreement that they had for the WinCo property with Boyer, they had the opportunity to propose to the City a development on the D'Ambrosio property which is south of the WinCo development. They have the right to make a first right of purchase on that property. They have submitted a plan and are proposing that they would put a phased development on the property. Mr. Sant gave a copy of the proposal to the Board. A copy is attached to these minutes and incorporated by this reference. The first phase would be an office building on the streetcar line. It would be a five story office building of around 80,000 square feet. They have a tenant for the building but Mr. Sant is not allowed to tell them who it is. That tenant would be taking about 40,000 to 50,000 square feet. It would be a Class A office building. Boyer is also proposing putting a hotel on the

south end of the property or the possibility of another 80,000 square foot office building. They want to see what is out in the market. If they find out that the office market is good then they will most likely want to move on a second office building because it can be done quicker. These are top quality \$175 to \$200 dollar a foot buildings. They will be very well built and very nice additions.

In order to park this there is going to be need for a parking terrace on the property which could be anywhere from three to five stories depending on what the need is. It is also good because Boyer said the parking would be mainly daytime use which means the City would have some additional parking in the downtown area in the nighttime. The Master Plan says one of the biggest and most expensive things they need is parking. This could open up some parking for them.

On the Main Street property, Boyer shows another small office building but it maybe could be a new location for City Hall. Under the UDOT plan, Main Street is going to change significantly because when they make the changes on the I-80 interchange they are going to be looking at accessing it from Main Street. So Main Street will probably have more cars than it does now. This could be another significant frontage they want. Staff feels like they need to make sure the Main street frontage has some development on it. The plan also shows some open space they have outlined as future development. It could even be retail. Boyer has talked that it might be a nice site for a restaurant but it could also be a retail use depending on what goes forward. It would be the piece of ground where Sherwin Williams is currently located. The RDA does not own that property or the daycare facility on Main Street. Those parcels will have to be acquired by Boyer from other parties. The RDA owns the rest of the block.

What staff would like to do is enter into a property purchase agreement with Boyer. The tenant they have mentioned needs to move quickly. They need to be under construction by October in order to meet the deadline for this company to come in. They need to sit down and talk to Boyer about the parking structure because it is not penciling. It will cost \$13,500 a stall. Staff may need to come back and talk about what they could do to help with that if they have to. Mr. Sant reminded the Board that there are a couple of unknowns in this proposal, including what the second building will be. The property purchase agreement will include the requirement to phase in all phases of the development within certain period of time, they will have to work out the parking terrace, make sure the design standards are there, and requiring Boyer to buy the Sherman Williams and the daycare center property so they can get a full block development. Staff feels it is a good project. It will give more” bang for the buck than a retail development but the west end still needs to be discussed and it could be retail. The parking structure could be moved for however it needs to fit and can be built in phases if needed.

Board Member Kindred was concerned they might be building a parking structure too large for the site. He realizes there is a tenant need but it is right on the streetcar line and as prime as it gets. He is afraid they are catering to one possible tenant that has a high parking ratio need.

Mr. Sant advised that they could wrap the parking terrace around into some of the

building development so you don't see it. They also talked about the idea that buildings need to be the same size as the parking terrace. They don't want the terrace higher than the buildings; they want it all to be level. They could possibly "L" shape the terrace, or do something else so it is not right down the middle of the block. What is important is they will need parking structures for the downtown area. It is the only way the City is going to be able to get the density and what they want in the area. They haven't done an economic analysis yet which is one of the things staff will do. They will need to come back and talk about the parking terrace.

Board Chairman Rapp asked if it puts Boyer in a risky position to have to acquire Sherwin Williams and the daycare buildings.

Mr. Sant believes they need to be acquired if they can. He would like to have in the agreement that they are at least making the effort. Boyer has indicated they believe they need to acquire them as well. They are willing to start working on it but they want to be sure there will be a deal with the RDA before they start spending the money to do it.

Board Member Siwik asked what happens if they can't come to an agreement. The people won't sell. Then what?

Mr. Sant said they will deal with it at that time. They at least need to get the Sherwin Williams building or they can't get the parking terrace on the site. He would like to have the conversation of Boyer having to purchase those buildings then let them come back and tell what the challenges are. The RDA had Sherwin Williams under contract to sell when they were looking earlier at another tenant so he knows at one time they were willing to sell. Another developer has bought the daycare and he thinks Boyer has worked previously with that developer and he thinks they can work out a trade or something with that.

Board Member Pender asked if part of the agreement would be public use of the parking terrace.

Mr. Sant said if the RDA was going to participate they would require an agreement that would allow it to be public use at certain hours. He believes the terrace would be available in the evening hours and would be free parking but they don't want to turn it into just anyone parking there.

Board Member Siwik asked what the methods of participation are.

Mr. Sant said tax increment would probably be the biggest one right now because it is in an existing redevelopment project area. Salt Lake County has indicated they would like to help the City with economic development and that could be a source of funding. There could be a special improvement district put in where the buildings are accessed for the additional parking. There are a number of ways to do it. When staff comes back they will bring options of how it could work and make it so they are not at risk.

Board Member Kindred asked if there was any way they could do some more outside the

box than a five story suburban office building. Could they do something different?

Community and Economic Development Director, Mike Florence advised that they have talked to the developer about retail on the ground floor. If they are bringing that many employees in they are going to need a place to eat. They have talked about trying to create the more urban streetscape along the streetcar line.

Mr. Sant agreed.

Board Member Pender asked if there was anything on that property that they have concerns with.

Mr. Sant said they have environmental cleanup the City will have to pay but there are no billboards.

Board Chairman Rapp asked if the City is getting help getting the tanks out.

Mr. Sant said they are waiting for the environmental engineer to put his final report together. In it he will say what needs to be cleaned up and how far it needs to go and part of that will depend on the uses.

Board Member Kindred asked if they take the proceeds from this sale to buy more land, where would they proceed.

Mr. Sant said they have a downtown plan that outlines some places for it. He feels it would be in conjunction with a developer that comes in and proposes something to them and they would look and see how they might participate with them.

Board Member Kindred asked if they have to go with Boyer.

Mr. Sant answered no and explained that Boyer has the first right. Ex explained that all he needs to know is if there is enough comfort level to take this to the next step. They will come back to the Council with the property purchase agreement which would be the next step.

The Board took a straw poll and determined to move forward.

The Board moved next to approval of minutes on the agenda.

Approval of Minutes

June 14, 2017. Director Beverly moved to approve these minutes.

MOTION: Sharla Beverly
SECOND: Johnny McConnell

Voice Vote:

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

June 21, 2017. Director Beverly moved to approve these minutes.

MOTION: Sharla Beverly
 SECOND: Portia Mila

Voice Vote:

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

New Business

Chamber of Commerce Discussion. Board Chairman Rapp explained that he is looking for a visioning session of what they want the Chamber to look like and how do they want to achieve it. He proposed that they stop charging them rent. The City would still be supply the Chamber with about \$20,000 in cash. The Chamber would start charging membership fees. He thinks they should phase it in perhaps in \$5,000 increments annually.

Board Member Beverly reminded the Board that they gave staff ninety days to bring back information. That information will be valuable to their discussion. She thinks it would be valuable to determine what information they need staff to bring back to them so they can make a good decision.

Board Chairman agreed that is what they want to do. He was not proposing anything in stone.

Board Member Beverly said she would like to see the membership fees that other cities are paying to their chambers.

Board Member Pender said he would like to see what other cities utilize their chamber for. He is interested in what neighboring cities in Salt Lake County.

Board Member Kindred would like to see an overall comparison survey done. He would like to see a competitive set of the South Salt Lake Chamber compared to others, not just

on membership numbers but chamber utilization.

Board Member Siwik would like to see not only how much money is being contributed but the size of the city population, the number of business licenses and the number of chamber members.

Board Member Kindred asked for the number of paying chamber members also.

Board Member Mila would like to see what chambers do for income, beside membership fees, if they don't get funding from their city.

Mr. Sant advised the Board that South Salt Lake is a little different than other cities in the sense that they have a lot of industry and a lot of daytime population which is going to make a difference when they start talking to different chambers. He likes the idea of looking at what they have in Salt Lake County but he asked if the Board was okay if staff went outside of the County to Davis, Weber and Utah County and looked for cities that have a little more industry.

Board Member Pender said he is okay going outside of the County but he wants to see those cities inside the County as well.

Board Member Kindred asked for a history of the Chamber, how long it has been around, how long the City has been doing the cash contribution and what it was like before that.

Board Member Siwik asked that staff go back as far as they can that would show the history of the contributions the City has made.

Board Member Beverly understood that before her time on the Council the Chamber was somewhat dysfunctional and there were a lot of problems. She gave credit the Chamber President, Gary Birdsall and the Chamber Board for the progress they have made.

Board Member Mila asked to know how the Chamber sustained itself during the time when it didn't have funds coming in from the City, if there was one.

Director Beverly moved to adjourn.

MOTION: Sharla Beverly


SECOND: Mark Kindred

Voice Vote:

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

Redevelopment Agency adjourned at 6:40 p.m.


Kevin D. Rapp, RDA Chair


Craig D. Burton, RDA Secretary

