

MINUTES
OF THE 763rd
MEETING OF THE
BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY OF SALT LAKE CITY
Tuesday, November 10, 2015
451 South State Street, Room 326
Salt Lake City, Utah
2:00 pm

1. [2:11:51 PM](#) Roll Call. The following members of the Board of Directors of the Redevelopment Agency of Salt Lake City were present:

Stan Penfold, Chairperson
Lisa Adams, Vice-Chairperson
Kyle LaMalfa, Director
Luke Garrott, Director
Charlie Luke, Director
James Rogers, Director
Erin Mendenhall, Director

Also Present:

Nichol Bourdeaux, Deputy Chief of Staff
D.J. Baxter, Executive Director

Others Attending:

Justin Belliveau, Deputy Director
Ed Butterfield, Senior Project Manager
Jill Wilkerson-Smith, Project Manager
Kort Utley, Project Manager
Ben Davis, Project Manager
Cara Lindsley, Project Coordinator
Susan Lundmark, Project Coordinator
Tammy Hunsaker, Project Area Specialist
Amanda Holty, Marketing and Communications Coordinator
Damon Georgelas, Agency Legal Counsel
Crayola Berger, Accountant II
Jolynn Walz, Office Manager
Kalli Ruiz, Office Facilitator
Mia Caselli, Administrative Assistant
Sharon Mangelson, Salt Lake City Finance
Mike Akerlow, Housing & Neighborhood Development
Matt Baldwin, City Creek

Tom Berggren, Jones & Waldo
Michael Mickelson, Eide Bailly

Some items were considered in an order different from that listed on the agenda, time stamps shown indicate when items were considered.

2. Briefing by the Staff.

[2:12:25 PM](#) Executive Director Baxter stated that Tammy Hunsaker has taken the Project Coordinator position and Ben Davis has returned the Agency and has taken the Project Manager position.

Executive Director Baxter notified the Board of a workshop regarding the design of 900 South improvements for the Central Ninth Project. The workshop will be held on Tuesday, November 10 and Wednesday, November 11 from 5:30 P.M. to 6:30 P.M. at the Green Warehouse, located at 865 South 200 West. The unveiling of the plans from the workshop discussions will be presented Thursday, November 12 at 5:30 P.M. at Sage's Café located at 234 West 900 South.

Executive Director Baxter announced that the RDA would host a Developer Input Forum on December 1, 2015 at 8:00 A.M. to discuss the Agency's Project Area Creation and Loan Program and Tax Increment Reimbursement modifications. RDA Staff will bring the feedback from the forum to the December Board Meeting.

3. [2:15:20 PM](#) Approval of the Minutes from the Meeting held October 13, 2015.

Director Mendenhall made a motion to approve the minutes from the meeting held October 13, 2015. Director Luke seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

4. [2:15:41 PM](#) Report of the Chief Administrative Officer.

Ms. Bourdeaux expressed the appreciation of the Administrative Staff for the closing of the Sugar House Project Area and for the ground breaking of Central Ninth project.

5. [2:16:14 PM](#) Public Comments.

Ryan Kimball requested that the RDA include the property located at 1030 South 300 West into its project area creation discussion. He suggested adding the property to the proposed Ball Park Project area or expanding the Granary District. Mr. Kimball explained that developing this property would keep Big Box companies from developing in the Downtown area. Director Mendenhall stated she would be interested in meeting with Mr. Kimball asked that he contact the SLC Council Office to set up a time to meet.

George Chapman expressed his desire for the proposed State Street project area. He stated that State Street has the best potential for increased housing, as well as greater public transit opportunities. Mr. Chapman noted that he would like to see the Trax Station located at 1300

South redeveloped. He added that the RDA should use the “Beehive Brick” building as a day center for the homeless community.

Dennis Faris, the Vice-Chairman of Poplar Grove Community Council, expressed his support for the potential 9-Line project area. He said that the area deserves assistance from the RDA and felt the area has many development opportunities.

Andrew Johnston expressed his support of the proposed 9-Line Project Area. He stated that the area fits perfectly within the City’s Master Plan and felt without the assistance of the RDA there would not be enough capital to jumpstart the area to on its own. He said residents and business owners feel excluded from the rest of the City and explained that making this new project area would bring a sense of inclusion and strengthen the community.

Sean Crossland, who is a resident of the Glendale area, expressed his support for the 9-Line Project Area. He informed the Board of his internship with Economic Development and his work with the 900 South and 900 East branding process. He said he would like to see something similar on the west side of Salt Lake City and felt the 9-Line Project Area could help to make that a reality.

Chairperson Penfold thanked the gentlemen for their comments.

6. Redevelopment Business/Routine Matters.

A. [2:26:05 PM](#) **Presentation about the 111 Main Tower Project by Matt Baldwin.**

Matt Baldwin, Director of Development for the 111 Main Tower, will provide a brief update on the progress and design features of this project that is currently underway at the corner of 100 South and Main Street.

Mr. Baldwin provided a presentation detailing the background and future development plans of the 111 Main Tower project located at the corner of 100 South and Main Street.

Chairperson Penfold thanked Mr. Baldwin for the presentation and his organization’s work on the project.

B. [2:44:59 PM](#) **Consideration and Adoption of a Resolution of The Board of Directors of The Redevelopment Agency of Salt Lake City Approving the Appointment of Bernardo Flores and Dale Christiansen to the Redevelopment Advisory Committee.**

The Board of Directors will consider the appointment of Bernardo Flores and Dale Christiansen to fill the two vacancies on the Redevelopment Advisory Committee.

Deputy Director Belliveau explained that Mayor Becker, acting as CAO, has recommended the Appointment of Bernardo Flores and Dale Christiansen to fill the vacancies of the Redevelopment Advisory Committee (RAC). He stated that Mr. Flores would bring expertise in architectural and urban design from his professional experience and Mr. Christiansen would

bring a broad experience in real estate finance. He added that Mr. Christiansen has expressed interest in also serving on the Loan Committee.

Director Mendenhall asked how the Agency controls committee members that are professionals within the development community not take advantage of information presented within meetings and use it for personal interests. Executive Director Baxter explained that the Agency follows the City's conflict of interest provisions and the RDA Staff is very careful to make certain that committee members are not using their position or knowledge to benefit a private organization or for gain. He added that depending on the discussion committee members may be asked to reclude themselves from a discussion or that they would be unable to vote on particular items.

Director Rogers asked if the applicants were residents of Salt Lake City. Mr. Christiansen said yes. Mr. Flores said no.

Board members thanked Mr. Flores and Mr. Christiansen for their willingness to serve on RAC and welcomed them to the RDA.

Director Garrott made a motion to adopt the resolution. Director LaMalfa seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

C. [2:55:01 PM](#) **Review and Acceptance of 2014-2015 Audit.**

The staff of the RDA, City Finance Division, and external auditors will present the findings of the RDA's annual financial audit for the Board's review and acceptance.

Michael Mickelson of Eide Bailly provided the Board with an overview of the annual audit conducted on the Redevelopment Agency Accounts.

Executive Director Baxter expressed his appreciation for all the work put into the audit process and stated that the information received from the annual audit helps the RDA to remain compliant with the current accounting standards.

Director Mendenhall made a motion to accept the 2014-2015 Audit. Director Rogers seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the audit was accepted. Vice-Chairperson Adams was not present for the motion.

7. Redevelopment Business/Old Business.

A. [3:47:44 PM](#) **Project Area Creation Ranking**

Discussion and ranking of the three remaining potential project areas to two areas.

Mr. Butterfield explained that in initial discussions with the RDA Board, the Board selected three new project area options. In October, Staff presented the new project area options to the Salt Lake City School District and the Salt Lake County. During those discussions it was determined that two new project areas would be more feasible than three.

Mr. Butterfield explained that during today's discussion, Staff would like the Board to rank each of the areas to help prioritize the areas and provide direction to Staff. He pointed out that a fourth area has been added to the list that consolidates a portion of the Ball Park area within the existing boundaries of the State Street area, bringing the list down to two areas. He added that this hybrid came from the discussions with Salt Lake County Representatives and the Salt Lake City School district to help elevate some of their concerns with the three areas.

Chairperson Penfold said that he was aware that the County has redesigned the criteria for new project area creation and questioned if these areas would even be approved. Mr. Butterfield said that the new design is a matrix/check list and that one of the requirements is that a certain percentage of current retail be within the project area. He said that during the discussions with the Taxing Entities concerning the three areas, it was emphasized that the west side of the potential Ballpark Project Area would not be as conducive to the policy verses the State Street Project area due to the current mix retail and small businesses within that area.

Director Garrott asked why the west boundary of the hybrid option does not include the 900 South Off ramp and Trax station. Mr. Butterfield said that once the areas were combined the acreage was very high. Staff felt it was necessary to look at the area and strategically fit certain parts of the area in while leaving others out in order to keep acreage down. He added that the boundaries are just suggestions and that Staff will present the project areas to the Tax Entity Committee (TEC) in December for approval. Although there is not a limit as to how large and area can be Staff is concerned that if the hybrid area may still be too large and may not be approved by the TEC with its currently proposed boundaries.

Director Garrott and Director Rogers suggested extending the western boundary all the way to 200 West.

Chairperson Penfold and Director Mendenhall suggested extending the boundary further south along West Temple in order to help with housing rehabilitation and other housing programming.

Director Garrott said the eastern boundary should include the east side of 200 East, from approximately 500 to 900 South.

Chairperson Penfold stated that he felt that unless there is a housing component, he did not think the County would look favorably at including the 300 West corridor. He added that he felt that the market would encourage more development within the area on its own and the RDA did not need to play a role and that the composition of the area does not fit the goals of the Agency. Director Mendenhall said she has spoke with representatives from Target and other retail owners in the area and they have stated that would really like to see more housing in the area to help support the businesses.

All Board members present were in favor of the combined Ballpark/State Street project area.

Chairperson Penfold requested a straw poll on whether Board members supported the change to the boundary along 1300 South to extend to I-15 to include the property north of the Target

shopping center, but exclude the Target Property. With the exception of Chairperson Penfold and Vice Chair Adams, Board members supported this direction.

Chairperson Penfold requested a straw poll on whether Board members supported the boundary change to the east side of West Temple to expand to 1700 South, excluding the Public Utilities site. All Board members supported this direction.

Chairperson Penfold requested a straw poll on whether Board members supported the boundary change at the north end of the project area to run along 500 South to 300 East, South on 300 East to 900 South and then back to 200 East. All Board members supported this direction.

Chairperson Penfold requested a straw poll on whether Board members supported the 9-Line Project area as presented by Staff. All Board members supported this direction.

Director Garrott thanked staff for including the addition acreage and potential west of Redwood Road.

Director Rogers made a motion to combine the Ball Park and State Street areas into one area and to select it and the 9-Line to move forward in the project area creation process. Director Mendenhall seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

B. [3:10:42 PM](#) **Consideration and Adoption of a Resolution Approving the Term Sheet for a Loan Request from MC Felt, LLC to Fund Renovations to the Felt Building at 341 South Main Street in the Central Business District Project Area.**

MC Felt, LLC is seeking approval of a Building Renovation Loan for the Felt Building, a historic five-story building located at 341 South Main Street.

Mr. Davis stated that MC Felt, LLC is seeking a renovation loan in the amount of \$2,809,267 to make capital improvements to the Felt Building located at 341 South State Street. He explained that the applicant is requesting 100% financing for the renovation costs of this project, instead of the typical 50%, but to offset the request the standard 10-year term would be reduced to a 5-year term. To help the project achieve the minimum debt service coverage ratio of 1.10, the amortization period was increased from 20 to 30 years.

Mr. Davis stated that the Loan Committee reviewed the application and recommended approval.

Mr. Davis explained that the borrower is present to answer any questions.

Director Mendenhall asked how funding the loan at 100% would affect the RDA loan pool. Mr. Davis replied that there are sufficient funds to cover the request; however it does decrease the loan pool to approximately \$800,000. Executive Director Baxter said although the amount request is large, he assured Board Member that it was not an out of the ordinary request.

Director Rogers inquired as to why the applicant cannot seek financing elsewhere instead of using RDA funding to bridge the gap.

David and Kevin Phipps, the applicants stated that they have a prepayment penalty on their current bridge loan which prevents the refinancing at this time.

Director LaMalfa made a motion to adopt the resolution. Director Garrott seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

C. [3:22:05 PM](#) **Consideration and adoption of a resolution of the Board of Directors of the Redevelopment Agency of Salt Lake City approving a loan to Mollie & Ollie Holding Company, LLC.**

Consideration of approval of a \$200,000 loan and \$20,000 grant to Mollie and Ollie Holding Company, LLC under the RDA's loan and grant program for Block 70.

Mr. Butterfield said that Mollie and Ollie Holding Company, LLC have requested a \$200,000 tenant improvement loan from the RDA and a \$20,000 grant for façade improvements from the Block 70 Renovation Loan and Grant Program. He explained that there are two modifications to the standard loan terms: 1) the applicant is not the title owner to the property; and 2) the collateral used to secure the loan is not the actual property being renovated.

Director Garrott asked if there would be an entrance off Regent Street. Mr. Butterfield said yes.

Director Rogers asked if the RDA had a plan of recourse if the borrower was to default on the loan. Mr. Butterfield explained that there is both a personal guarantee and collateral on a residential property to meet our loan to value requirements.

Director Garrott made a motion to adopt the resolution. Vice-Chairperson Adams seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

8. Redevelopment Business/ New Business.

A. [4:11:51 PM](#) **Consideration and Adoption of a Resolution Approving the Terms of a Real Estate Purchase Agreement and Development Agreement for the Acquisition of Vacated Right-of-Way Property Owned by Salt Lake City Corporation on 300 South between 500 West and 600 West Streets in the Depot District Project Area.**

The RDA will consider entering into a Purchase and Sale and Development Agreement with Salt Lake City to purchase a portion of City-owned right-of-way on 300 South between 500 West and 600 West.

Ms. Wilkerson-Smith stated that Staff is seeking approval of the terms of a Real Estate Purchase Agreement and Development Agreement for the acquisition of vacated right-of-way property currently owned by Salt Lake City Corporation located on 300 South between 500 West and 600

West. She explained that this transaction would narrow the existing right-of-way to provide for the future festival street within the Station Center Project.

Ms. Wilkerson-Smith stated that there would be no cost to purchase the property, but the City is requiring that the street be built within five years of the sale of the property and if the completion of the street does not occur within that timeline the RDA agrees to pay the City fair market value for the property.

Director Garrott made a motion to adopt the resolution. Vice-Chairperson Adams seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution was adopted.

9. Consent.

A. [4:15:49 PM](#) **Motion to Extend the Time for Closing a Building Renovation Loan Requested by Telegraph Exchange, LLC for the Project Located at 180 South 300 West.**

The RDA Board is being asked to consider passing a motion to extend the closing deadline to December 10, 2015 on a \$3 million Building Renovation Loan for the residential project located at 180 South 300 West.

Director Garrott made a motion to approve the consent item. Director Mendenhall seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved and the resolution adopted.

10. Written Briefings.
None

11. Closed Meeting.

A. [4:16:05 PM](#) **Consider Adopting a Motion to Enter into a Closed Meeting in Keeping with Utah Code to Discuss Pending Litigation and/or the Acquisition/Disposition of Real Property and/or Attorney-Client Matters that are Privileged Pursuant to Utah Code Ann. § 78b-1-137(2).**

Director LaMalfa made a motion to enter into a closed meeting to discuss matters of property acquisition/disposition; Director Luke seconded the motion. Upon roll call, Chairperson Penfold declared the motion unanimously approved.

The closed meeting of the Board of Directors of the Redevelopment Agency of Salt Lake City was held at the City and County Building, 451 South State Street, in Room 326 at 4:18 PM on Tuesday, November 10, 2015.

The following members of the Board of Directors of the Redevelopment Agency of Salt Lake City were present: Stan Penfold, Chairperson; Lisa Adams, Vice Chairperson; Kyle LaMalfa, Director; Luke Garrott, Director; James Rogers, Director; Charlie Luke, Director; and Nichol Bourdeaux, Deputy Chief of Staff.

The following members of the staff of the Redevelopment Agency of Salt Lake City were present: D.J. Baxter, Executive Director; Justin Belliveau, Deputy Director; Damon Georgelas, Legal Counsel; Crayola Berger, Accountant; Jolynn Walz, Office Manager; Kalli Ruiz, Office Facilitator.

Others present: Tom Berggren, Outside Legal Counsel of Jones & Waldo.

The Board discussed the acquisition/disposition of real property.

There being no further business, Chairperson Penfold called for a motion to exit the closed meeting. Director Luke made a motion to exit the closed meeting and Director Garrott seconded the motion. Upon roll call Chairperson Penfold declared the motion unanimously approved and the closed meeting was adjourned at 4:45 PM.

12. [4:16:38 PM Adjournment.](#)

There being no further business, Chairperson Penfold declared the meeting adjourned.

Stan Penfold, Chairperson

This document along with the digital recording constitute the official minutes of the Redevelopment Agency of Salt Lake City Board of Directors meeting held November 10, 2015.