

REDEVELOPMENT AGENCY

OF SALT LAKE CITY



RDA

Dear Friends,

During 2008, the Redevelopment Agency of Salt Lake City (RDA) has continued to address the changing needs of Utah's capital city. For almost 40 years, the RDA has played a pivotal role in revitalizing many areas of downtown. Under the Utah Community Development and Renewal Agencies Act, the RDA has the charge and financial means to address blight and disinvestment in specific parts of Salt Lake City. Today, areas that have previously suffered from social, environmental, physical, or economic challenges are transforming into areas characterized by a variety of useful amenities, community health, and safety.

As Utah's capital city evolves, the needs of our residents and businesses also change, sometimes creating a disconnect between what has been and what is. As the city continues to develop practices that support a more sustainable community, the role of the RDA is more critical than ever. This year, the RDA's work and assistance were central to bringing about necessary improvements and stimulating private investment.

Although only a handful of the RDA's many projects are included here, we hope this report of our activities will illustrate how the RDA is a vital and beneficial partner to Salt Lake City, as well as to the numerous other entities working and investing in Utah's capital city. There are many exciting projects that will be realized over the next several years, including the new Utah Performance Center on Main Street.

A recent tour of several successful cities illustrated the immense benefits that come from maximizing development opportunities near our transit stations. As Salt Lake City focuses more on transit-oriented investment strategies, the RDA continues to keep housing development a high priority, particularly near the light rail system. The RDA assisted with the funding of the Metro Condominium project, offering new housing options near the TRAX line in the Central Business District. This is another step forward in adapting Utah's capital city to the needs of its residents.

We hope you will enjoy this overview of the Redevelopment Agency's projects in our 2008 Annual Report. From addressing blight to re-establishing safe, clean, social spaces through public and private investments, the RDA continues to elevate the quality of life for all city residents and visitors through its many endeavors. As Utah's capital city demonstrates its ability to participate in the national and international arena, the RDA will continue to play a critical role in bolstering our development environment.

Sincerely,

Eric Jensen
Chair, RDA Board of Directors

Ralph Becker
Chief Administrative Officer

annual report

2008

ABOUT US

HOW THE RDA WORKS

Redevelopment Agencies (RDAs) are a tool used by local governments to eliminate blight and to implement the development goals of a community. The Redevelopment Agency of Salt Lake City currently administers six tax-increment project areas throughout the city.

As the city grows older, parts of it can become deteriorated with buildings and core public infrastructure that are in disrepair. In areas of the city that were once focused on industrial uses, basic infrastructure is inadequate to attract and support new investment and development. The consequent decrease in the assessed valuation of the property results in reduced property tax collections for all taxing entities and further disinvestment, creating a cycle of urban degeneration.

RDAs intervene by investing in core infrastructure, such as streets, lighting, curb and sidewalks; by facilitating redevelopment of underutilized property; and by providing incentives for private investment. As the project area's social value and economic potential increase, businesses and private investors are encouraged to respond with additional development and improvements. RDA projects are designed to spur additional growth, allowing blighted areas to be reestablished as economically productive centers for business and social activity.

The financial engine that drives an RDA's urban renewal efforts is tax increment financing. Tax increment is the increase (or "increment") in the property taxes generated within a project area, over and above property taxes generated in that same area prior to the establishment of the project area. The establishment of a project area and the use of tax increment funds must be approved by the RDA Board of Directors and the local taxing



RDA Chair Eric Jergensen and developer Alan Wood at the groundbreaking of the Metro Condominiums.

entities (school district, library, water districts, county, etc.). The tax increment generated in a project area is reinvested into the same project area, thus recycling the funds for a specified period of time, usually 20-25 years, after which the tax increment will again be available to the local taxing entities. During the life of the project area, the taxing entities continue to receive the same amount of property taxes that they received prior to the establishment of the project area, along with any share of the increment they may have negotiated with the RDA. More importantly, improved redevelopment project areas contribute to the overall health and vitality of the city by reversing the negative effects of blight, while increasing the tax base from which the taxing entities draw their funds. In Salt Lake City, redevelopment project areas' tax bases have historically grown at twice the rate of surrounding areas that are not designated as RDA project areas.

PROJECT AREA SPECIALIST POSITION ADDED TO RDA STAFF

The Redevelopment Agency (RDA) is currently working to improve its community outreach efforts in project areas that have been slower to benefit from the RDA's redevelopment efforts. As part of this new initiative, the RDA has created the position of Project Area Specialist to act as a liaison between the RDA and project area residents and businesses. The Project Area Specialist will be responsible for coordinating with RDA project and property management staff in the formulation and administration of strategies, policies, and programs specifically customized to address the needs of designated project areas. The addition of this position will enable the RDA to have an in-person presence in project areas such as West Temple Gateway and the Granary District. This increased presence will better enable us to organize and coordinate with property owners, businesses, and residents to enhance our effectiveness in these areas.

PROJECTS

METRO CONDOMINIUMS

The Metro Condominium project, located in the Central Business District Project Area, was completed in July 2008. As of December 2008, 94 of the 117 studio, 1-, 2-, and 3-bedroom units have been sold and are occupied by new downtown residents. The Metro features 9+ foot ceilings, open kitchens, a beautiful private deck or patio on every unit, and a landscaped plaza and exercise room on the third level. Units vary in size from 550 square foot studios to 1,400 square foot three-bedroom units. In addition to 200+ parking stalls for residents, the RDA built 250 underground parking stalls that are leased to the State of Utah.

This \$32,000,000 project was funded with an equity contribution by Mr. Alan Wood, president and owner of Wood Development, and construction loans from Bank of American Fork and the Redevelopment Agency.



The Metro Condominiums, located at 200 East and 400 South, developed by Wood Development.

MARMALADE WEST

In 2005, the Redevelopment Agency's Board of Directors selected Howa Capital, LLC (HOWA), to build a large-scale mixed use project on the east and west sides of 300 West, between 500 North and 600 North, in the West Capitol Hill Project Area. HOWA purchased the properties located just north of the RDA's west side property assemblage that extends to 600 North. Subsequent to signing a purchase and sale agreement to develop both sides as one project in 2007, HOWA renegotiated the prop-

erty purchase as two separate projects in July 2008. The west side project, known as "Marmalade West," will be comprised of two retail buildings and one retail/office building, containing approximately 22,000 square feet in total. In September 2008, the RDA closed on the sale of its property located on the west side of 300 West (519-551 North 300 West), to HOWA. The project went under construction in October 2008 and is slated for completion in summer 2009.

INITIATION OF THE RR QUIET ZONE

For many years, the Redevelopment Agency (RDA) and Salt Lake City have been working toward the establishment of a railroad quiet zone through Salt Lake City—an area where trains are not required to routinely sound their whistles. Recent rules promulgated by the Federal Railroad Administration—at the urging of Salt Lake City and other communities across the country—permit the establishment by cities of “quiet zones” where the installation of improved crossing gates, signals, and other safety enhancements allows cities to restrict the routine sounding of train horns at crossings.

In 2008, the RDA financed quiet zone improvements at 800, 900, and 1000 West along the South Temple rail corridor. The UTA Frontrunner project installed improved crossing devices at South Temple/600 West, 300 North, 400 North, and 1800 North. Those improvements, along with the closure of 500 North and 100 South, and the City’s installation of median islands at 200 South, combined to create a quiet zone from 700 South to the northern boundary of Salt Lake City, and from 500 West to the Jordan River.

The relief from train horn noise has greatly improved the quality of life for residents in the downtown, Euclid, Rose Park, and Capitol Hill neighborhoods.



photo: Courtesy of Union Pacific
Trains were removed from several neighborhoods, and “Quiet Zones” were established in other areas to mitigate the noise impact on residents.

HOWA HEADQUARTERS ACQUISITION

To fund the Marmalade West project, Howa Capitol, LLC (HOWA) agreed to sell its corporate headquarters and garden properties to the Redevelopment Agency (RDA). The property is located in the Depot District Project Area at 625–623 West 100 South and 622–648 West 100 South. HOWA reinvested the proceeds in the RDA’s properties located at 519–551 North 300 West, in the West Capitol Hill Project Area. The RDA leased the property back to HOWA for a year, to provide HOWA adequate time to make the transition to a new headquarters facility.



photo: Courtesy of Tracy Stocking & Associates
Rendering of Reed Avenue development currently underway.

REED AVENUE DEVELOPMENT

In November 2003, the Redevelopment Agency (RDA) purchased four parcels of land located at 750 North 300 West in the West Capitol Hill Project Area. The RDA marketed the property for development in accordance with the underlying zoning requirements and, in July 2007, Reed Avenue LLC was selected to design, construct, and sell three single-family attached homes and one single-family detached home. The homes will be sold at market rate prices and occupied exclusively by owner-occupants, rather than held as rental properties. In November 2008, the RDA and Reed Avenue LLC executed a development agreement and construction began. The project will be completed in summer 2009.

DOWNTOWN THEATER

Early in 2008, newly-elected Mayor Ralph Becker made the construction of a downtown Broadway-style theater one of his highest priorities. He asked the Redevelopment Agency (RDA) to assist with the acquisition of property for the project, which will include a 2400-seat theater, as well as rehearsal spaces and other ancillary facilities that will support the operation of the theater and various performing arts functions located in the Central Business District Project Area.

The Downtown Theater Action Group (TAG) was organized to consider numerous possible sites and funding alternatives for the theater. The TAG identified 6 potential sites for consideration and recommended pursuit of two primary project funding sources: New Markets Tax Credits and creation of a Community Development Area that would use sales tax increment generated by the City Creek Center and surrounding blocks.

Responding to the TAG's recommendations, Mayor Becker asked the RDA and Economic Development staffs to lead the effort to further narrow the list of possible sites through direct negotiations with property owners. That process yielded a decision that Block 70, the former location of the Newspaper Agency Corporation's printing presses, was the ideal location, given its proximity to other attractions and arts facilities downtown, the possibility of a Main Street entrance, the availability of abundant parking, and the opportunity to revitalize Regent Street as an attractive pedestrian connection between City Creek Center and the Gallivan Center.

In October, 2008, Mayor Becker, Bishop Burton, and a host of community leaders, including Governor Huntsman, Scott Anderson, and Lane Beattie, formally announced the selection of Block



Mayor Ralph Becker and Bishop Burton announce the selection of Block 70 as the future site of the Utah Performance Center on Main.

70 as the site of the Utah Performance Center on Main. The RDA staff is working closely with Property Reserve Incorporated and Suburban Land Reserve (two of the development arms of The Church of Jesus Christ of Latter-day Saints) during a 1-year exclusive negotiation period to configure the property purchase for the theater and establish a fair purchase price.



PUBLIC MARKET STUDY

As part of the 2007–2008 budget allocation, the Redevelopment Agency contributed \$10,000 toward a study to determine the feasibility of a public market in downtown Salt Lake City. To guide the study, the Downtown Alliance, the primary sponsor, formed a Public Market Advisory Committee led by Alice Steiner, chairperson of the committee, and Ted Spitzer, the lead consultant from Market Ventures, Inc. The study was completed in July 2008, and concluded that a year-round public market is feasible in Salt Lake City. The Downtown Alliance will address future action steps necessary to bring a public market to fruition.

The Pike Place Market in Seattle operates year-round and has a permanent home. The study concluded that this type of market is feasible in Salt Lake City.

PUBLIC ART

A SALT LAKE CITY TRADITION

The Redevelopment Agency (RDA) recognizes that public works of art have long been responsible for enhancing the atmosphere of public spaces or creating a sense of place within the community. For years the RDA has worked with the Salt Lake City Arts Council to engage the skills of a variety of talented artists in creating public art. Whether for beautification or functionality, the RDA has assisted in funding art that provides perspective on a variety of physical, social, and environmental backgrounds.

“TRAVELING STONES” AT THE SALT LAKE CITY CENTRAL STATION

Through a partnership between the Redevelopment Agency (RDA), Salt Lake City Arts Council, and the Utah Transit Authority, funding was provided to commission Noire Sato to create 15 sculptures at the Salt Lake City Central Station. The stone and bronze sculptures are located throughout the Central Station’s plaza and rail platforms. The bronze portion of each sculpture is a replica of a suitcase, briefcase, trunk, or other parcel associated with travel. The artwork, entitled “Traveling Stones and Other Vagabonds,” had a project budget of \$205,000 of which the RDA contributed \$55,000.



“Traveling Stones and Other Vagabonds” by Noire Sato, was selected by the Salt Lake City Arts Council, and is located throughout the Central Station’s plaza and platforms.

Created by Day Christensen, “Urban Flora” includes several pieces, both inside and outside the Metro Condominiums.

SUGAR HOUSE BENCHES

In spring 2007, the Salt Lake City Arts Council hired Eric Thelander, an artist from Albuquerque, New Mexico, to fabricate six benches for installation in the Sugar House Project Area. These unique benches, made primarily of concrete, resemble overstuffed household sofas. The project, funded by the RDA, cost \$40,000.



The Sugarhouse Benches created by Eric Thelander are spread throughout Sugarhouse, near bus stops and businesses.

“URBAN FLORA” AT THE METRO CONDOMINIUMS

In January 2008, Day Christensen was selected from among several artists to design, fabricate, and install artwork at the Metro Condominiums. Mr. Christensen’s artwork is entitled Urban Flora, and is comprised of three brightly colored bronze structures that are abstract representations of fresh cut flowers. The structures are all visible from 200 East, with two structures located just inside the building’s curtain wall and one just outside its east entrance. This public art project was funded by a public-private partnership between the Redevelopment Agency and Wood City Centre Associates LLC. The total project cost was \$110,000.



photo: Kyle Jenkins

RDA EVENTS

CITY OFFICIALS TOUR DEVELOPMENT PROJECTS IN PORTLAND, SEATTLE, VANCOUVER

In September, the RDA staff organized and led a tour of development projects in Portland, Oregon; Seattle, Washington; and Vancouver, British Columbia. Mayor Becker and five of the seven RDA Board Members were in attendance, as well as representatives of the Salt Lake Chamber and the City's Community and Economic Development Department. The objectives of the tour included learning how these cities have maximized development opportunities around transit stations, how they have used their transit infrastructure and development agreements to attract and guide development, and what tools their redevelopment agencies have used to ensure the success of their tax-increment redevelopment areas. The attendees undertook extensive guided walking tours of all three cities, visits to numerous development projects, and meetings with city and redevelopment officials to discuss their approaches to creating vibrant urban neighborhoods and a successful development environment.

The tour of these cities highlighted the ways modern high-rise developments can interact with adjacent lower-density neighborhoods and how the modern streetcar system and density-based development agreements can attract billions of dollars in private investments. In Portland, the use of careful zoning,

development agreements, and a \$55-million streetcar line has led to \$3.5 billion in private investment in 10 years. The trip also enabled participants to see several public markets of varying scales, numerous successful mid-block walkways, and several innovative approaches to urban parking challenges.



A child waves to the passing streetcar in Portland. RDA staff and City officials saw firsthand how Portland and Seattle are using streetcars to maximize development opportunities.

RDA LOANS

INITIATED BETWEEN JANUARY & DECEMBER, 2008

Program Income Fund	Dennis Glass / 1053–1057 East 2100 South	\$240,000
	Alvie Carter / 742–754 South Kilby Court	\$24,000
Housing Fund	Palmer Court / 999 South Main Street	\$3,000,000
Revolving Loan Fund	Children's Miracle Network / 710 South 200 West	\$2,500,000
	Walker Center / 175 South Main Street	\$2,000,000
	Reed Avenue / 752 North 300 West	\$1,084,000

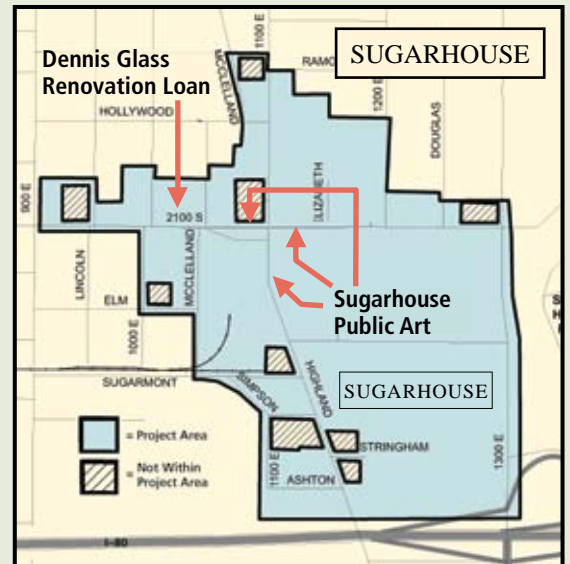
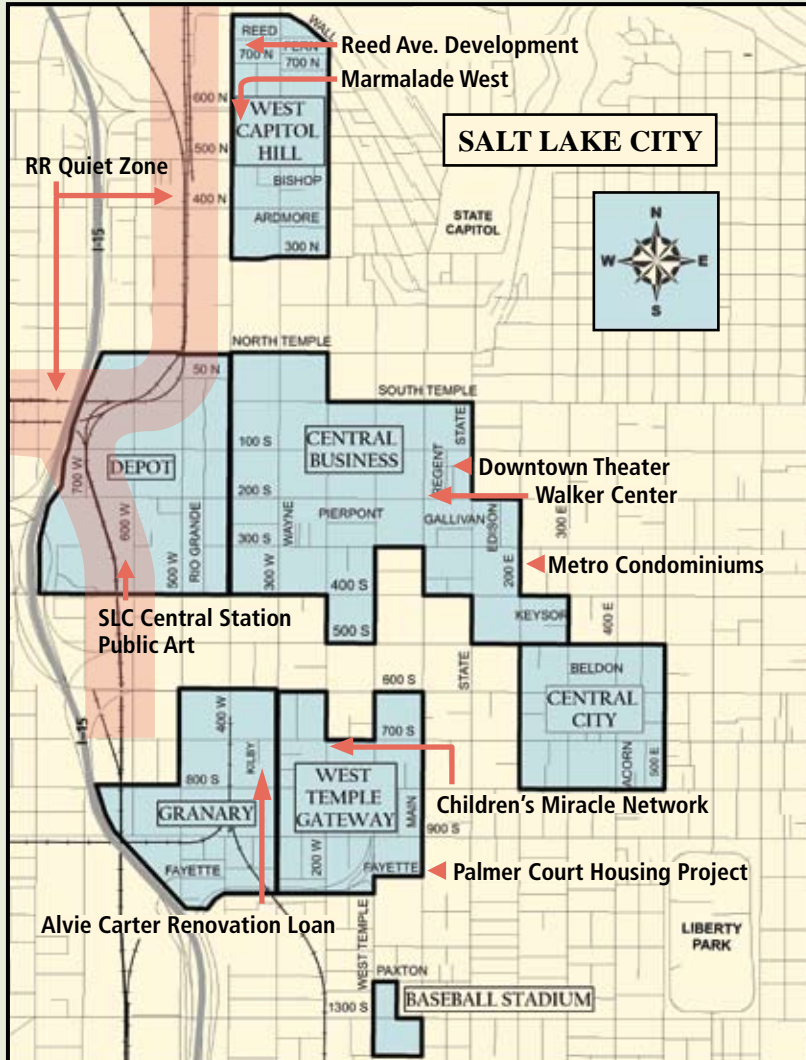
RDA PROJECTS AREAS: 2008 PROJECTS & LOANS

REDEVELOPMENT AGENCY

OF SALT LAKE CITY

451 S. State Street, Room 418
 City & County Building
 P. O. Box 145518
 Salt Lake City, Utah 84114-5518

www.slcrda.com



Chief Administrative Officer

Ralph Becker

Board of Directors

Eric Jergensen, *Chairperson*
 JT Martin, *Vice-Chairperson*
 Carlton Christensen, *Director*
 Jill Remington Love, *Director*
 Luke Garrott, *Director*
 Søren Simonsen, *Director*
 Van Blair Turner, *Director*

Advisory Committee

Robert Dodge, *Chairperson*
 Christopher Gamvroulas, *Vice-Chairperson*
 Brenda Scheer, *Member*
 Clint Johnson, *Member*
 Jeremy King, *Member*
 Mark Flores, *Member*
 Rosemary Beless, *Member*
 Sanford Barrett, *Member*

RDA Staff

D.J. Baxter, *Executive Director*
 Valda Tarbet, *Deputy Director*
 Jill Wilkerson-Smith, *Project Manager*
 Matt Dahl, *Project Manager*
 Ed Butterfield, *Project Coordinator*
 Travis Pearce, *Property Manager*
 Bryan Roberts, *Agency Legal Counsel*
 Crayola Berger, *Office Manager*
 Jolynn Snider, *Administrative Secretary*
 Ashlie Taylor, *Project Area Specialist*

