

MINUTES
FROM THE MEETING OF THE
REDEVELOPMENT ADVISORY COMMITTEE
Wednesday, October 2, 2019
451 South State Street, **Room 326**
City & County Building
Salt Lake City, Utah
4:00 p.m.

1. Roll Call

The following members were present:

Dale Christiansen, Chairperson	Lance Dunkley, Vice-Chairperson
Brian Doughty	Mojdeh Sakaki
Jason Head	

The following members were absent:

Claudia O'Grady	Mark Isaac
-----------------	------------

Also Present:

Danny Walz, Chief Operating Officer; Jill Wilkerson-Smith, Deputy Chief Operating Officer; Robyn Smith, Office Facilitator; Cara Lindsley, Project Manager; Kalli Ruiz, Accountant II.

2. Briefing by the Staff

None

3. Approval of the minutes of the August 7, 2019 meeting.

Vice-Chairperson Dunkley made a motion to approve the minutes from the August 7, 2019 meeting. Mr. Head seconded the motion. Upon roll call, the motion passed unanimously.

4. Business

1. North Temple Project Area/Folsom Corridor Catalytic Project Strategy

Ms. Lindsley explained that the North Temple Boulevard master plan was adopted in 2010 to create a mixed use and walkable community along North Temple Boulevard and around the light rail stations that were to be constructed in the corridor. She added that the RDA created the North Temple Project Area in 2012 to facilitate implementation of the master plan as well as to encourage redevelopment projects that support the City's goals for the corridor. Objectives and overall goals identified in the project area plan to guide redevelopment activities include:

- Encourage Transit-oriented Development
- Participate in Creating a Walkable Community
- Create Extension of City Creek Corridor
- Preserve Existing Residential Neighborhoods and Encourage Positive Connections
- Redevelop State of Utah's State Fairpark
- Assist in Improving Environmental Conditions along North Temple Boulevard
- Create and Renovate Open Spaces for the Community
- Promote Sustainable Practices
- Design for Excellence and Cost Effectiveness
- Create Safe, Vibrant and Useful Public Spaces
- Promote Population Growth and Stability

Ms. Lindsley said some of the current activities the RDA has in the North Temple Project Area include SPARK! – the redevelopment of the Overniter Motel, for which the RDA selected Brinshore Development, LLC and Housing Assistance Management Enterprise (HAME) for the development of the property into a mixed-use project, including affordable and market-rate housing units, ground-floor retail, neighborhood services and public open space. COO Walz added that the developers are currently applying for tax credits and plan to start development next year.

Ms. Lindsley said another project is the Congregation Spirits Loan which the RDA Board approved in June 2019 to help fund the construction costs for the adaptive reuse of a 12,000-square-foot industrial building and surrounding property into a distillery, bar and grill, and working urban fruit orchard. She added this project also includes a planned outdoor space with a dining patio, “spirit garden,” and full-color mural by a local artist on the north-facing wall.

Ms. Lindsley said some of the other ongoing RDA activities in the project area include the Fairpark Public Market Study, Folsom Trail Design/Construction, and the City Creek Daylighting Study. She added that RDA staff have regularly communicated with community councils and chambers, attended meetings, and met with potential development partners that are focused on the west side of Salt Lake City. She explained that through this engagement, and by reviewing programs the RDA has successfully implemented in other neighborhoods, staff identified the following potential catalytic projects and programs for the North Temple Project Area:

- *Interim and Temporary uses of city-owned property in Folsom corridor.*
Ms. Lindsley said that the Folsom Trail, which will be constructed in early 2020, will occupy only a 14-foot ribbon of land through the corridor. The areas north and south for the trail could be used on a temporary and interim basis to activate the corridor and provide amenities or points of interest to trail users. She also mentioned that community members expressed interest in having pop-up buildings along the trail for businesses. She added that while on a business trip to Vancouver, she saw shipping containers on a trail where businesses operate out of, showing her that this could be an attractive option for the Folsom Trail.

- *Revolving Loan Fund program to assist buyers of contaminated property.*
Ms. Lindsley said the Revolving Loan Fund could be used to provide temporary loans to prospective buyers of contaminated properties. She added that when the seller is unwilling or unable to remediate a contaminated site prior to selling, and the buyer is willing to conduct remediation after purchase, the RDA could provide an acquisition loan that would be paid off by a conventional loan once the Utah Department of Environmental Quality confirms that remediation is complete, and no further action is required.
- *Adaptive reuse loan program.*
Ms. Lindsley said another program the RDA could consider is the Adaptive Reuse Loan Program, like the one created for the Granary District to provide forgivable loans for building upgrades. She added that these loans would facilitate the conversion of vacant, underutilized, or economically challenged buildings for a new purpose, similar to the Fisher Brewery Project.
- *Folsom Trail enhancement and City Creek daylighting.*
Ms. Lindsley said this program is to enhance what UTA and Salt Lake City are proposing for the Folsom Trail. She added the RDA could fund improvements to Folsom Corridor to provide amenities to the community, safety improvements to the trail, and encourage redevelopment of properties adjacent to the corridor.
- *Public art program (ex. Granary Mural program).*
Ms. Lindsley said the RDA could collaborate with the Arts Council to initiate a project like the Granary Mural Project that facilitates the creation and installation of public art in the North Temple Project Area, or the Folsom Corridor specifically.
- *Strategic property acquisition*
Ms. Lindsley said RDA funds could be used to acquire properties in the North Temple Project Area for development that support project area objectives.

Chairperson Christiansen asked where Folsom Corridor is exactly, and Ms. Lindsley said the trail follows a former rail corridor from 500 West at North Temple to the Jordan River Bridge near 200 South. COO Walz added that if you have been to Red Iguana 2, the Folsom Corridor is across the rail line from South Temple street and those businesses.

Vice Chairperson Dunkley asked how the RDA defines “catalytic.” COO Walz said there have been many ways it has been defined in the past, such as size and scale like redeveloping the White Ballfield, or something that is an economic boom, activation generator or something that brings in increment. COO Walz said staff is working on a definition, from the RDA view, on what a “catalytic project” is. He said that staff is wanting to create a project more organically through the Folsom Corridor, similar to what happened in the Central 9th by providing a few amenities and improvements which brought attention to the area and created a district within itself. He added that, in the RDA view, the market should take care of the larger sized developments.

Vice Chairperson Dunkley asked why RDA staff think the market has not taken care of much of the North Temple corridor yet, and COO Walz said it's a combination of a few things. He said when you look at the North Temple Project Area and see the vacant property and the potential for development, a lot of what appears to be developable property is owned by either State agencies, Rocky Mountain Power, or UTA. He said the investment in a new TRAX line has really helped the area from a housing standpoint, as can be seen in the new development west of Redwood Road. He mentioned that there has not been as much development of small businesses and retail services, but that this is the goal with the Overniter Motel and Spark! development – trying to get that density to come in and hopefully bring along the commercial.

Vice Chairperson Dunkley asked how large of an issue the contaminated land is, in preventing people from obtaining loans to purchase property. Ms. Lindsley said there are small pockets of contamination that pop up and need to be addressed on a case-by-case basis because the contamination is an obstacle to redevelopment, adding that it is not insurmountable.

Mr. Doughty asked if RDA funds could be used for businesses that are leasing space, because sometimes the business owners/tenants are the catalysts for redevelopment more than the property owners. COO Walz said the RDA can assist with acquisition and development and tenant improvements for tenants utilizing the adaptive reuse program. He added that generally the RDA works with property owners, but they can work with individual businesses.

Chairperson Christiansen said that it will be difficult to be catalytic with Folsom until you can get the land owners on board, or if properties become available, then those would be the catalyst for the area. He added that until they do, the RDA is facing an uphill battle. COO Walz said that the RDA has tried to approach Rocky Mountain Power to open the dialogue on whether they would consider having some RDA assistance or participation in redeveloping a portion of their site. He added that they have expressed a willingness to consider that as it relates to a bus terminal or an inter-modal hub. COO Walz added that one other reason redevelopment is slow in the area is the number of motels located between 900 West and I-15. He said this is a potential reason that people hesitate to invest in the area and that it unfortunately leaves a stigma on the area.

Mr. Head asked how temporary or pop up locations would be funded and approved. COO Walz said that there are many details that would need to be worked out should the RDA decide to move forward with this idea. He added that at this time, staff is brainstorming all the details so they can begin focusing on what the priorities will be and request funding to carry them out during the next budget cycle.

Mr. Doughty clarified that the RDA currently has \$800,000 to use for this area and asked whether the RDA was looking to spend the funds in one idea or to split it between the six ideas shared. Ms. Lindsley said that in this budget line item and at this time the RDA has \$800,000, adding that the RDA could direct additional tax increment to these programs in the future. She said that RDA staff would like for RAC to give feedback on which item or items they would like to see the RDA pursue but said that not all the ideas would require funds from the \$800,000 budget because some of the ideas could use other funding sources such as the revolving loan fund. COO Walz said that staff is not going into this with ideas on how to spend the funds, but

more to explore what the RDA wants to accomplish, then identifying potential funding sources to help staff accomplish the goals.

Vice Chairperson Dunkley said his recommendations would be using the Revolving Loan Fund for contaminated properties and establishing an Adaptive Reuse Loan program. Ms. Sakaki said she would like to see the implementation of a public art program, which would draw different populations to the area.

Mr. Doughty asked if the RDA has any properties in mind for the strategic property acquisition option and COO Walz said that RDA continually tries to identify properties whose acquisition could have a positive impact on the community. He said that the RDA also works with community members that come to the RDA to discuss properties with the potential for redevelopment or selling. He added that staff is focusing more on the motels at this time because they are strategic properties that could be redeveloped to remove a negative element from the community.

Mr. Doughty asked about the Façade Improvement Grant Program. Ms. Lindsley said this was a suggestion by one of the community groups she spoke with. She said that the Division of Housing and Neighborhood Development (HAND) currently offers a federally-funded façade improvement grant program for small local businesses; however, the boundaries of the eligible area (Poplar Grove and Central City/Central Ninth areas) do not include property in the North Temple Project Area. If the boundaries of HAND's current program cannot be modified, the RDA could consider creating a new program to fund improvements in the North Temple Project Area.

Vice Chairperson Dunkley gave a suggestion of connecting South Temple through to Redwood Road and having development on both sides of the street. COO Walz said RDA could approach the Salt Lake City Transportation Division to determine to what extent the rail lines are being used and to consider this for a long-term master plan.

2. Policies for Project Areas That Are Not Collecting Tax Increment

COO Walz explained that state statute regarding RDA operations is clear on how to create a project area and the process to dissolve the project area. It further defines the period tax increment can be earned. He said what the state statute does not provide any requirements or timeframe for is when the RDA must stop activity in an expired project area. COO Walz said that it also does not define how long the Agency can continue to spend money in a project area that has expired and is not collecting tax increment.

COO Walz said that the RDA currently has two project areas that fall into this category, Sugar House and West Temple Gateway. He said that the RDA no longer collects increment from these areas, but the Agency has not officially closed out the project areas. He added that these two areas are what prompted this discussion as staff has received requests for loans and other additional projects. Staff is currently working on drafting a policy to help guide the rules on

expiring project areas, but also new project areas that are still going through the adoption process.

COO Walz highlighted two areas of the potential policy:

1. The RDA will dissolve a project area after the following conditions are met:
 - a. Tax increment funds generated have been fully spent.
 - b. RDA-owned property has been disposed.
 - c. RDA-funded public infrastructure projects have been completed.

2. Prior to dissolving a project area, the RDA will continue to spend funds as follows:
 - a. Tax Increment Reimbursement Program Policy: Within the last five years of a project area, the RDA no longer accepts TIR applications.
 - b. Loan Program applications for new loans, grants, and other appropriations will be accepted and processed as follows:
 - i. Non-RDA-initiated Projects: RDA will continue to accept applications up to the earlier of two years beyond the time the RDA collects increment or date of dissolution of the project area.
 - ii. RDA-initiated Projects: The Agency would continue to consider loan applications up until the time of dissolution.

Chairperson Christiansen asked if the RDA holds funds in reserve for ongoing maintenance or is that transferred to another department. COO Walz replied that historically when the RDA has done improvements to infrastructure, once it is built it is then turned over to Salt Lake City who then will assume ownership and responsibility for ongoing maintenance. He added this is currently a conversation with the Board as far as to what level the RDA should do those types of projects, what level that burden is passed onto the City and/or what level the RDA continues to cover maintenance costs. He said from the standpoint of project areas we would likely never have anything that goes beyond the collection of increment time because that is really the RDA's ability to pay for it.

COO Walz explained that the exceptions to this would be assets that the RDA owns such as parking structures and Eccles Theater.

COO Walz explained that the RDA has received a loan request within the 9-Line Project Area, which the agreements with the other taxing entities are not yet complete. Staff believes this request will initiate a policy discussion with the Board on how soon the RDA begins offering loans within a new project area. He added that staff requests input on this but said that we have a project area, revolving loan fund and the RDA sometimes sets aside seed funds for new project areas to get things going. Since the Board has done that, it's safe to presume they have indicated their willingness to start investing in the area. He said that a loan is the safest type of funding option to give because the RDA will receive repayment from the project itself and is not dependent on tax increment.

5. Adjournment.

There being no further business the meeting was adjourned.

Dale Christiansen, Chairperson

This document along with the digital recording constitute the official minutes of the Redevelopment Advisory Committee held October 2, 2019.