MINUTES FROM
THE MEETING OF THE
REDEVELOPMENT ADVISORY COMMITTEE
Wednesday February 7, 2018
451 South State Street, **Room 326**
City & County Building
Salt Lake City, Utah
4:00 p.m.

1. <u>Roll Call.</u>
   Claudia O'Grady, Chairperson
   Dale Christiansen, Vice Chairperson
   Darin Mano, Member
   Adrienne Bell, Member
   Lance Dunkley, Member
   Bernardo Flores-Sahagun, Member

   Absent:
   Mark Isaac, Member

   Also Present:
   Danny Walz, Chief Operating Officer
   Louise Garcia, Administrative Secretary
   Kort Utley, Senior Project Manager
   Jill Wilkerson-Smith, Project Manager

2. <u>Briefing by the Staff</u>
   A. RDA Updates.

Chief Operating Officer Danny Walz provided updates on the following projects of the RDA:

- The RDA currently has the following open positions that it is marketing and holding interviews:
    o Two Project Coordinator/Managers
    o Administrative Secretary
    o Accountant
    o Deputy COO

- An RFQ will be released February 2018 for the property located on 255 S State Street.

- An RFQ for the Overniter Motel will be issued March of 2018.

- There has been a delay on the marketing of the Agency owned property in Sugar House Property, due to some issues with the relocation of the Sugarhouse Business District maintenance shed.

   B. Loan Updates.

None.

3. Approval of the minutes of the January 3, 2018 meeting.

Mr. Mano made a motion to approve the minutes from the January 3, 2018 RAC meeting. Mr. Dunkley seconded that motion. Upon roll call, the motion passed unanimously.

4. Business.

    A. Election of Chairperson and Vice-Chairperson

Ms. Bell made a motion to nominate Claudia O'Grady to serve as Chairperson for the Redevelopment Advisory Committee. Mr. Dunkley seconded that motion. Upon roll call, the motion passed unanimously.

Ms. Bell made a motion to nominate Dale Christiansen to serve as Vice-Chairperson for the Redevelopment Advisory Committee. Mr. Dunkley seconded that motion. Upon roll call, the motion passed unanimously.

    B. Proposed Housing Tax Increment Policy Discussion

Ms. Wilkerson-Smith explained that the RDA Board adopted a new RDA Tax Increment Reimbursement Policy in November 2017. The policy includes a Single-Property CRA program that offers an economic development incentive to existing Salt Lake City businesses to expand or relocate within the city by creating a new project area to provide a tax increment reimbursement for new development. The RDA Board is now requesting staff explore a similar program to incentivize housing development city-wide.

Ms. Wilkerson-Smith presented financial models and provided an overview on how the new program could work, and potential pros and cons of the program.

Chairperson O'Grady asked if a renovation project would provide significant cash flow to the owner/developer. Ms. Wilkerson-Smith stated there is not much benefit, as shown by the renovation model. The new construction model shows the greatest tax increment benefit because of the higher taxable value and increment generated.

Ms. Wilkerson-Smith asked if RAC had any comments concerning the administrative fees of the program. Ms. O'Grady said she did not see an issue, if staff is comfortable retaining only 3%.

Ms. Wilkerson-Smith asked if RAC had any observation about the RDA providing a tax increment reimbursement based on projects that achieve certain public benefits such as; sustainability, architectural & urban design, permanent job placement and retention. Ms. Bell said many of these would be hard to achieve in a low income housing project. Chief Operations Office Walz suggested a stronger mix or a baseline of affordability as a criteria. Ms. O'Grady agreed. Ms. Bell further suggested that providing supportive services could also be a criteria.

Vice-Chairperson Christensen suggested that staff include a commercial component to the model to see if the rent would increase the project cash flow.

Other suggestions by RAC included the following:

- Consider charging an application fee to help pay for staff costs.

- Find the optimal size of new and renovation projects that would be financially viable.

- Consider projects that include deeper affordability levels and support services.

- Obtain outside consultant to assist with processing applications, the cost of which would be paid by the applicant.

- Consider limited applications as test cases, then reassign and refine program as needed.

Ms. Wilkerson-Smith thanked RAC for its comments, and said she will present them to the RDA Board this Spring.

C. Status Report on RDA Loan Portfolio

Mr. Walz provided an update on the following loan portfolio.

NEW LOANS – REVOLVING LOAN FUND		
Borrower	**Date Closed**	**Amount of Loan**

OUTSTANDING PRINCIPAL AS OF JU2017		
Loan Fund	**Number of Loans**	**Balance on 12/31/17**
Program Income Fund	6	$801,883.76
Housing Loans	5	$4,196,987.83
Revolving Loan Fund	17	$13,762,146.24
TOTAL	**28**	**$18,761,017.83**

Delinquency: None

Revolving Loan Funds available to lend as of 12/31/17: $8,429,153.00

D. Project area creation priorities

Mr. Utley provided an overview the RDA's priorities for RDA project areas. He explained that one of the primary functions of the RDA Board is the creation of project areas. Recently, the RDA has discussed the creation of select new project areas, and has also discussed the potential of extending the life of several existing project areas. To ensure staff resources are deployed in a manner consistent with Agency objectives, and to facilitate discussion of the potential new project areas with our taxing entity partners, staff is requesting discussion regarding the prioritization of the new and extended project areas currently contemplated by the RDA.

Chairperson O'Grady and Mr. Mano stated their concern of there being too many project areas, the areas being too large, and staff resources being spread too thin to create a true impact.

Mr. Mano also expressed his concern the creation of any new project areas would continue to affect the adoption of the State Street and 9-Line project areas. Chairperson O'Grady agreed and stated that these two areas should not continue to be slowed down.

Ms. Bell said the RDA should continue to think of other tools and possibly make more project specific CRAs. The programs and tools should encourage development to pay the upfront costs so the entire burden isn't on the RDA.

   5. Adjournment.

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Claudia O'Grady, Chairperson