

REGULAR MEETING OF THE
REDEVELOPMENT ADVISORY COMMITTEE
Wednesday, June 2, 2021
4:00 p.m.

To access and participate in the meeting please visit
<https://saltlakecity.webex.com/saltlakecity/j.php?MTID=md0b675914890e452242fa27c02f4c7c8>
Meeting Password: wiV9PwtAq83

I, Brian Doughty, Chair of the Redevelopment Advisory Committee, hereby determine that conducting public meetings at an anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location. Due to the local state of emergency from the earthquake in March 2020 and attendant damage to the building, I find that conducting a meeting at the anchor location under the current local emergency constitutes a substantial risk to the health and safety of those who may be present.

Agenda

1. **Roll Call**

2. **Briefing by the Staff**

- A. Station Center Innovation District Concept – Ashley Ogden, Project Manager and Cara Lindsley, Senior Project Manager
Staff will provide a briefing on the Station Center Innovation District Concept.
- B. Project Area Creation Priorities Briefing
Staff will provide an update on the Project Area Creation Priorities.

3. **Approval of the minutes**

- A. Review and Approval of April 7, 2021 RAC Minutes
RAC members will review the April 7, 2021 meeting minutes and consider for approval.

4. **Business**

None

5. **Adjournment**

People with disabilities may make requests for reasonable accommodation no later than 48 hours in advance in order to attend this Redevelopment Advisory Committee. Accommodations may include alternate formats, interpreters, and other auxiliary aids. This is an accessible facility. For questions, requests, or additional information, please contact the RDA at 801-535-7240.

MAYOR ERIN MENDENHALL
Executive Director



DANNY WALZ
Director

REDEVELOPMENT AGENCY *of* SALT LAKE CITY

DATE: May 28, 2021
PREPARED BY: Ashley Ogden and Cara Lindsley
RE: Station Center Innovation District Concept

REQUESTED ACTION: Briefing on the Administration's plans for disposition of property located within the bounds of 500 – 600 West and 200 – 400 South.
POLICY ITEM: Depot District Real Property Disposition
BUDGET IMPACTS: N/A

EXECUTIVE SUMMARY: For many years, the Redevelopment Agency (RDA) has been working toward the development of what is referred to as the Station Center area, an assemblage of approximately 10.5 acres located between 500 – 600 West and 200 – 400 South in the Depot District project area. The Agency currently owns approximately nine acres.

RDA plans have long called for Station Center, which is adjacent to the UTA Intermodal Hub, to become Utah's premier model of successful transit-oriented development. This vision includes mixed-use development that maximizes permitted densities and contains affordable commercial and residential spaces and active street-level uses, as well as the extension of the City grid to create new transportation connections that prioritize the pedestrian and bicyclist over the car. New buildings will also complement the character of the SLC Warehouse National Historic District and encourage the adaptive reuse of remaining historic structures, including the RDA-owned Salt Lake Mattress Company building.

While the Agency has undertaken significant physical planning efforts and has an ambitious vision for the project, Staff recognizes the unique opportunity to do something especially impactful with Station Center. In early 2020, the RDA and University of Utah (U-of-U) Department of Real Estate Administration engaged in discussions on the establishment of a downtown U-of-U presence. With the Mayor's support, both parties commissioned a study by HR&A Advisors that evaluates the feasibility of partnering to create a University-anchored Innovation District on the Station Center property.

This memo is intended to provide an overview of key components of the Station Center Innovation District project concept, which is based on findings from the partnership study. Please refer to *Attachment A: Station Center Innovation District Development Proposal* for a full project profile. Additionally, pursuant to the RDA's Real Property Disposition Policy, the RDA shall submit a pre-disposition report to the RDA Board prior to marketing the property that includes preliminary information on the proposed plans for disposition— please refer to *Attachment B: Pre-disposition Report*.

ANALYSIS & ISSUES:

Key takeaways of the proposed Station Center Innovation District project concept and disposition include the following:

1. *Coordinated Development Approach:* Last year, the RDA began to consider a master-development model for Station Center that would realize efficiencies related to 1) development of infrastructure improvements, 2) maintaining consistency with design guidelines, 3) carrying out cohesive land use planning and activation, and 4) establishing a coordinated plan for infrastructure maintenance funding.
2. *Policy Alignment:* A partnership with the U-of-U would support the Mayor's vision for Tech Lake City, BioHive, and initiatives called for in Plan Salt Lake and the Downtown Master Plan.

Plan Salt Lake (p. 39):

- *Maintain and grow Salt Lake City as the economic center of the region.*
- *Support the economic growth of Downtown, including:*
 - *Innovation District in the Granary*
 - *Reactivate the Gateway*
 - *Develop Station Center*
 - *Expand Research Park in or near the downtown area*
- *Support the growth of small businesses, entrepreneurship, and neighborhood business nodes.*
- *Recruit corporate headquarters and major employers to locate in the City.*
- *Improve existing and develop new relationships with economic development partners.*

Downtown Master Plan (p. 104-107):

"The future of the Depot District is a dense urban neighborhood that provides a full range of housing options and is served by all modes of transit...the area could easily be the location of a major job center, such as an urban oriented technology center or research park."

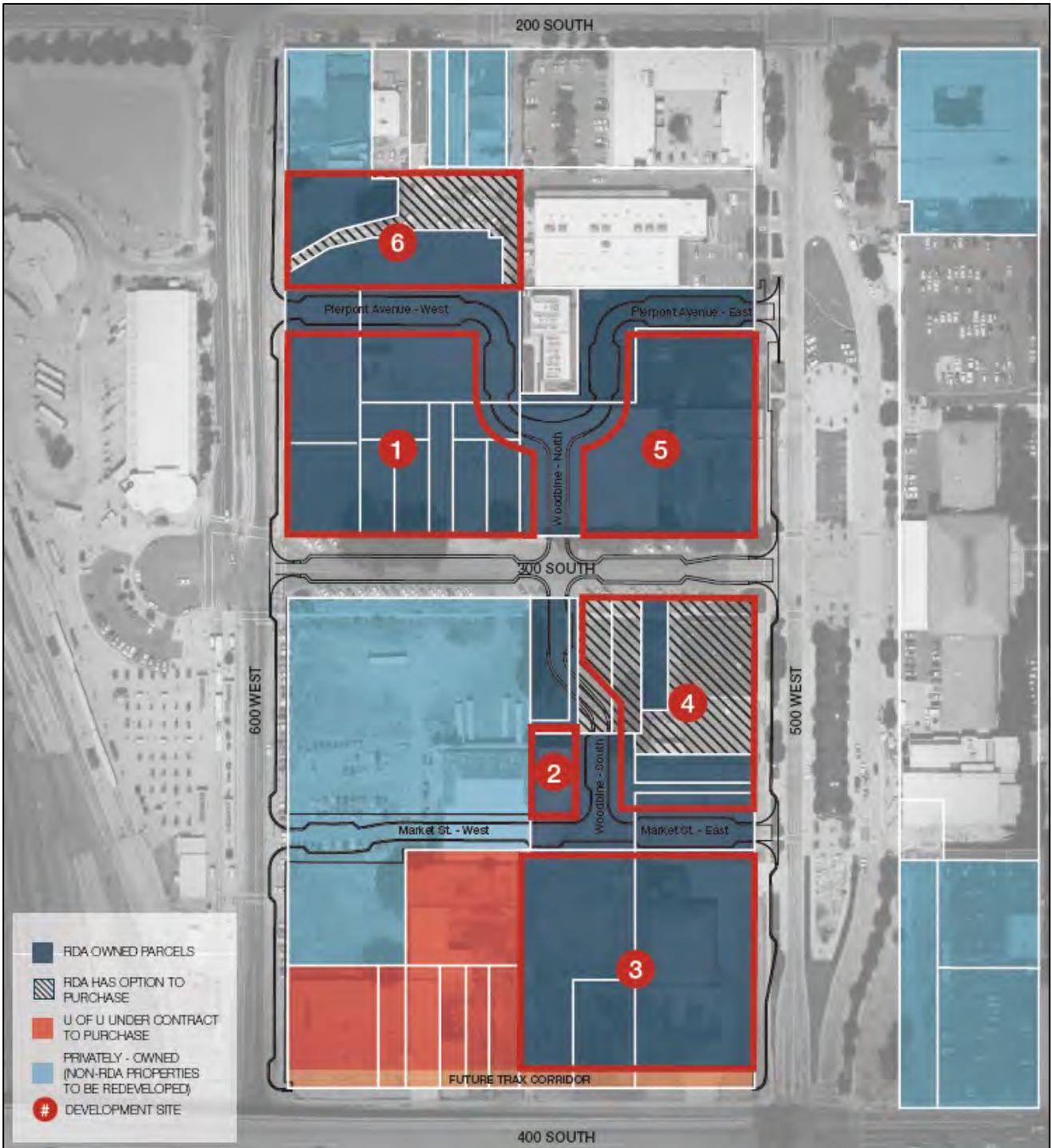
3. *Partnership Opportunity:* A partnership with the U-of-U represents an opportunity to elevate the RDA's long-standing plans to implement a model transit-oriented development with a clustering of leading-edge anchor institutions, inventors, incubators and accelerators, and businesses at all levels in the life cycle ranging from start-ups to mature, growing firms, all in one place.
4. *Leveraging of Resources:* This partnership will allow for the leveraging of resources, including capitalization of the U-of-U's strong reputation for being an institution of excellence in innovation, technology commercialization, and research to attract industry partners, developers, capital, and investors.
5. *Community Benefit:* In addition to the economic benefits that a University-anchored Innovation District is sure to bring to Salt Lake City, the RDA sees this as a unique opportunity to incorporate a high level of public benefit into one development project. Programming initiatives identified for the District include affordable housing and commercial spaces to mitigate risk of displacement from the City, opportunities for education and upward mobility through equitable access to U-of-U resources and spaces, a focus on community health programming, and implementation of sustainable development strategies that have not yet been embraced by the local development community on a widespread scale.

6. Long-term Involvement: The RDA would remain involved as a long-term and strategic partner, as defined through a partnership agreement, to ensure the success of the district and that public benefits are maximized. In addition, the City could maintain an active partnership in the governance and programming of the Innovation District.
 7. Board's Role: As the Administration negotiates the terms of a partnership, the RDA Board's role in the property disposition will include:
 - a. Approval of any land discount over 10% of the as-is fair market value pursuant to the Real Property Disposition Policy.
 - b. Allocation of any sales disposition proceeds pursuant to the Real Property Disposition Proceeds Policy.
 8. Method of Disposition: Pursuant to the RDA Real Property Disposition Policy, the RDA may engage in an exclusively negotiated method of disposition with a "non-profit or governmental agency for a community development or public use." While partnering with the University of Utah may technically include an exclusive negotiations method of disposition, the selection of ultimate development partners would be through competitive RFPs. This will allow the RDA and University to recognize the benefits of a partnership while still being inclusive and transparent in the selection of end users.
 9. Disposition Structure: The U-of-U and RDA are currently working through the framework of a potential disposition and development structure. Discussions are in the preliminary stages and do not yet include a formal commitment from the parties to move forward with a partnership, specific terms, or legal agreements. Based on extensive evaluation of potential structures and current discussions with the U-of-U, a land sale structure appears to be most viable.
 10. Infrastructure: A partnership with the U-of-U would fulfill the RDA's long-standing plans for streetscape and infrastructure improvements. It has been anticipated that the RDA would need to use a portion of the property disposition proceeds to fund these infrastructure needs. Improvements include the extension of the City's street grid with the construction of new mid-block streets, the reconstruction of 300 South into a "festival street" with community gathering space, and the upgrading of utilities to support denser development.
 11. Land Sale Proceeds: A land sale would provide significant revenues to the RDA, providing the ability to target resources to other project areas such as North Temple, 9 Line, and State Street.
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ATTACHMENTS:

- A. Station Center Innovation District Development Proposal
- B. Pre-Disposition Report

Attachment A:
STATION CENTER INNOVATION DISTRICT DEVELOPMENT PROPOSAL
 June 2021



PROJECT OVERVIEW:

For many years, the Redevelopment Agency (RDA) has been working toward the development of what is referred to as the Station Center area, an assemblage of approximately 10.5 acres located between 500 – 600 West and 200 – 400 South in the Depot District project area. The Agency currently owns approximately nine acres and has options to purchase an additional 1.5 acres from Artspace City Center, LLC, and the State of Utah.

RDA plans have long called for Station Center, which is adjacent to the UTA Intermodal Hub, to become Utah’s premier model of successful transit-oriented development. This vision includes mixed-use development that maximizes permitted densities and contains affordable commercial and residential spaces and active street-level uses, as well as the extension of the City grid to create new transportation connections that prioritize the pedestrian and bicyclist over the car. New buildings will also complement the character of the SLC Warehouse National Historic District and encourage the adaptive reuse of remaining historic structures, including the RDA-owned Salt Lake Mattress Company building.

While the Agency has undertaken significant physical planning efforts and has an ambitious vision for the project, Staff recognizes the unique opportunity to do something especially impactful with Station Center. In early 2020, the RDA and University of Utah (U-of-U) Department of Real Estate Administration engaged in discussions on the establishment of a downtown University presence. With the Mayor’s support, both parties commissioned a study by HR&A Advisors that evaluates the feasibility of partnering to create a University-anchored Innovation District.

This document outlines key components of the proposed Station Center Innovation District project, which would directly support initiatives called for in Plan Salt Lake and the Downtown Master Plan, as well as many other City goals and priorities:

Plan Salt Lake (p. 39):

- *Maintain and grow Salt Lake City as the economic center of the region.*
- *Support the economic growth of Downtown, including:*
 - *Innovation District in the Granary*
 - *Reactivate the Gateway*
 - *Develop Station Center*
 - *Expand Research Park in or near the downtown area*
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- *Recruit corporate headquarters and major employers to locate in the City.*
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Downtown Master Plan (p. 104-107):

“The future of the Depot District is a dense urban neighborhood that provides a full range of housing options and is served by all modes of transit...the area could easily be the location of a major job center, such as an urban oriented technology center or research park.”

INNOVATION DISTRICTS:

Dense enclaves that merge the innovation and employment potential of research-oriented anchor institutions, high-growth firms, and tech and creative start-ups in well-designed, amenity-rich residential and commercial environments.

– Brookings Institution

PROGRAMMING & PARTNERSHIP STUDY FINDINGS AND RECOMMENDATIONS:

As mentioned above, the RDA partnered with the U-of-U to explore a programmatic approach and partnership strategy to support the development of a Station Center Innovation District. The following is a high-level summary of the findings and recommendations that came out of this three-part study:

1. STAKEHOLDER ENGAGEMENT:

During August and September 2020, HR&A Advisors hosted 14 discussions with representatives from city, regional, and state government, various U-of-U programs, and many other local stakeholders who have a vested interest in the growth of Salt Lake City's innovation ecosystem. Main takeaways include:

- **Concerns about on-the-ground safety** dominate participants' views of the site.
- **Housing in the Downtown area is currently inaccessible to a wide range of people** whose participation is essential to a Station Center Innovation District.
- **Increased transit access and comfortable bike and pedestrian connections** are needed to ensure that Station Center is well connected and accessible to all parts of Salt Lake City.
- **Biotech and health, both prescriptive and preventative, have been identified as potential anchor industries** for Station Center.
- **There is a citywide shortage in lab, office, and community spaces** necessary for a thriving innovation ecosystem, an issue with implications on talent and business attraction and retention.
- **Green/play space is highly desired** throughout Salt Lake City, and especially within the Depot District.
- **Rio Grande Depot is currently seen as a barrier to development** and will require more active programming.
- The success of this project will be measured in large part by the extent to which it provides **meaningful connections to the West Side (both physical and programmatic)**.

STUDY COMPONENTS

1

Stakeholder Engagement

2

Innovation Asset Assessment

3

Programming & Partnerships Strategy

2. INNOVATION ASSET ASSESSMENT:

Following the stakeholder engagement process and review of existing plans and resources, HR&A Advisors completed an innovation asset mapping exercise that resulted in a recommended set of programmatic drivers for a Station Center Innovation District: Life Sciences and Community Health.

STRATEGIC OPPORTUNITIES:

LIFE SCIENCES

Biotechnology Research

- Promote responsible and ethical innovation;
- Advance research in genetics;
- Use of robotics in medicine.

Healthcare

- Prevention of chronic illness and disease;
- Advance access to health care education, including increasing diversity and equity in providers;
- Explore social and behavioral sciences;
- Emphasize need for balance between preventative/diagnostic care systems.

Technology & Entrepreneurship

- Expand capacity of technology and commercialization organizations;
- Provide spaces for startups to settle after outgrowing incubator space;
- Facilitate connections between entrepreneurs and industry leaders;
- Advance opportunity for community members to access resources for technological development and commercialization.

COMMUNITY HEALTH

Food Security

- Expand capacity of urban agriculture and local food systems to reduce food insecurity;
- Leverage innovations in hydroponics to produce food more efficiently and closer to population centers;
- Develop an indoor public market to provide year-round access to locally-grown produce;
- Develop and maintain community gardens to provide sustainable local produce.

Nutrition

- Increase engagement with the community on healthy eating habits through demonstration kitchens;
- Improve access to healthy foods for at-risk populations by providing services through a community hub;
- Develop stronger locally-sourced food systems.

Health Equity & Education

- Increase focus on healthcare outcomes by incorporating a preventative health program on site;
- Adapt existing/emerging health systems to address physical/mental health inequities;
- Enhance opportunities for equitable health coverage through reform of healthcare quality, access, and affordability;
- Advance platforms to network population health data to inform policy and legislative initiatives.

3. PROGRAMMING & PARTNERSHIPS STRATEGY: The last part of the study examined governance and real estate structures of other successful Innovation Districts, which are typically developed through public-private partnerships that include local government, a university anchor, and one or more private developers. For Station Center, HR&A recommends the creation of a new non-profit entity to govern the District, comprised of representatives from the U, Salt Lake City, and other community and industry partners.



A standing committee for Research and Advanced Studies would direct and promote the advancement of research initiatives, industry engagement, and academic pursuits within Station Center.

Operating subcommittees would work to establish early partnerships with the business community, non-profit institutions, and government entities, ensure that underrepresented communities are able to fully engage with Station Center, build a strong relationship with the West Side, and advise on the real estate development of the District as it is built out.

U-OF-U PARTNERSHIP RESOURCES:

Successful Innovation Districts are run through programs and partnerships but require a leader to anchor those programs to the District. HR&A identified the U-of-U as best positioned to be the “programmatically champion” of Station Center, as the success of the District will largely rely on the ability to leverage the U’s vast resources to attract industry partners, developers, and investors. If the U-of-U assumes this role, the RDA and City would remain involved as a long-term and strategic partner to leverage resources and ensure that public benefits are maximized.

- The University has an established local and regional presence, as well as a strong reputation for being an institution of excellence in innovation, technology commercialization, and research.
- The University has a proven track record of a successful commercialization pipeline of new company creation and attraction.
- Case studies of other Innovation Districts with nonprofit University partners show a significant amount of job creation (direct and indirect), on-site earnings, and regional economic output, among many other economic benefits. The economic impact of a Station Center Innovation District would spill over into neighboring parts of the city.
- Regardless of the property owner, all private development would be considered a taxable improvement and treated as such under applicable tax codes.
- The University has the resources needed to invest in both people and infrastructure and can utilize these investments to catalyze activity at Station Center.
- The University has existing governance infrastructure through University of Utah Research Foundation (UURF) that could be adapted to create a sub-entity to manage and program Station Center.
- Marketing as a partnership with the University would have more impact and attract interest from a wide range of developers.
- The University is under contract to purchase approximately 2 acres of adjacent property, which would facilitate 400 South Trax extension that is called for in the Downtown and Transit Master Plans.

PLACEMAKING:

While it is obvious that the U's assets and expertise are necessary to cultivate a successful downtown Innovation District, studies show that many other District leaders have failed to pair their innovation programming with the physical land planning necessary to create a compelling sense of place that supports a high level of interaction and collaboration. Pitfalls include a loss of character through the demolition of historic structures, the construction of oversized buildings with large floor plates that eliminate a sense of human scale and walkability, a lack of diversity in building design, and a perceptible divide between areas with sterile institutional buildings and those containing neighborhood amenities like retail, restaurants, bars, etc.¹



Preliminary renderings of revised concept for Woodbine Court & 300 South



Fortunately, the RDA has already undertaken significant steps that will prevent Station Center from falling into the same trap. This includes the creation of the Station Center Design Guidelines, which will require new development to be compatible with the SLC Warehouse National Historic District that it is located within, the stabilization of the historic Salt Lake Mattress Company building, and support of the rehabilitation of Artspace's Beehive Brick and City Center buildings.

There are also long planned for infrastructure and streetscape improvements that include the reconstruction of 300 South into a "festival street" that can be closed and programmed as community gathering space, as well as the construction of three new mid-block streets to provide better access and permeability throughout the project. Improvements also include upgrading underground utilities to support denser development and a district-wide approach to streetscape design for an active and pedestrian-oriented neighborhood. Landscape, lighting, electrical, and civil engineering designs are approximately 60% complete, but the RDA's design consultant is in the process of revising a portion of the plans to incorporate a reimagined concept for the center of the neighborhood on 300 South and Woodbine Court.

¹ <https://www.brookings.edu/blog/the-avenue/2019/02/21/innovation-districts-and-their-dilemmas-with-place/>

AFFORDABILITY, EQUITY & SUSTAINABILITY:

The U-of-U team has expressed a commitment to the RDA's vision of a robust, mixed-use neighborhood that meets the needs of a diverse population. The RDA sees Station Center as a unique opportunity to incorporate a high level of public benefit into one project. Potential public benefits that the team will explore include the following:

- Housing for extremely low-income households (50% AMI and below), persons with disabilities, the elderly, and other populations at risk for homelessness due to their economic, health, or social circumstances.
- Opportunities for affordable home/commercial ownership.
- The development of housing that is more conducive to larger household sizes (i.e., 3-4 bedroom units).
- Reduction of displacement risk of existing Salt Lake City businesses and barriers to entry for new ones through the provision of affordable commercial spaces with subsidized and/or below-market lease rates.
- Solutions that provide equitable access to space and University support services to facilitate the growth cycle of a start-up company.
- Programming that meaningfully closes the gaps between the City's east and west sides by providing educational and/or job opportunities that support upward mobility.
- Community health programming with a greater focus on equity and access, education, food security, and nutrition.
- New development that is designed to operate without on-site fossil fuel combustion.
- On-site renewable energy as well as on-site treatment of stormwater and other water-wise programs.
- Implementation of strategies to reduce auto dependency and encourage use of alternative modes of transportation.

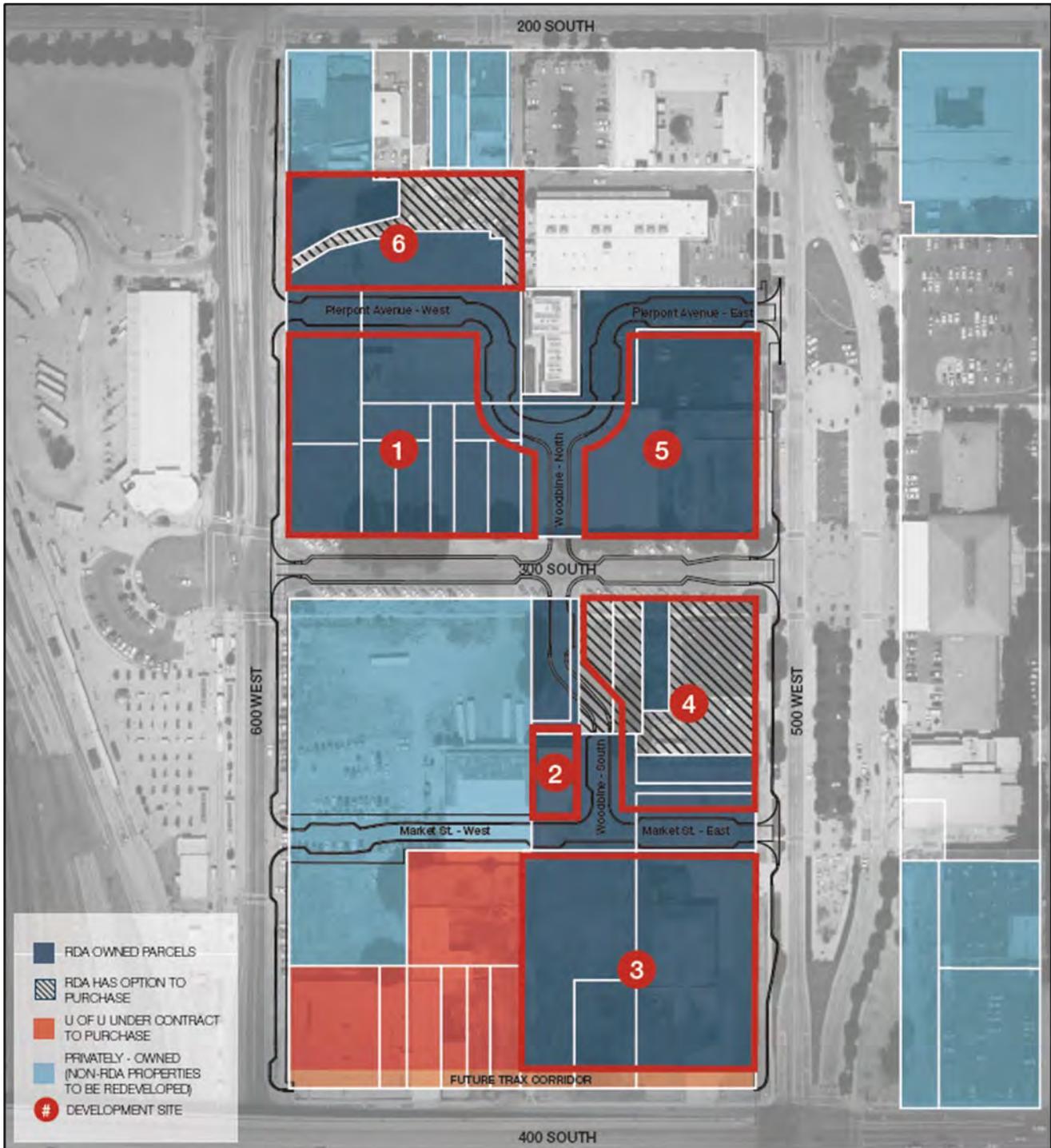
TENTATIVE TIMELINE AND NEXT STEPS:

- JUNE 2021:** Present Station Center Innovation District concept to Redevelopment Advisory Committee (RAC).
Present Station Center Innovation District concept to RDA Board of Directors.
- Q3 2021:** Present property disposition strategy to RDA Board of Directors.
Work with U-of-U to refine development strategy with further market analysis and detailed land use planning. Determine governance framework and mechanism for infrastructure maintenance funding.
- Q4 2021:** Return to RDA Board of Directors with informational update on findings from further analyses and disposition/development plans.
Execute RDA – U-of-U partnership agreement, an overarching agreement that establishes partnership roles and responsibilities, governance framework, protective covenants, development review processes, etc.
Execute property disposition agreement with U-of-U.
- Q1 2022:** Draft and release joint request for proposals (RFP) for first development phase.
- Q2 2022:** Select developer for first phase of project. Return to RDA Board of Directors for informational update on selected proposal.

Attachment B: Pre-Disposition Report
Station Center Properties
June 2021



SLCRDA



Property Description:

The RDA owns several parcels totaling approximately nine (9) acres and has options to purchase an additional 1.4 acres in what is referred to as the Station Center area roughly bounded by 500 – 600 West and 200 – 400 South.

Project Area: Depot District

Zoning: Gateway-Mixed Use District

Property Type: Tier 1

Tier 1 Justification:

The Property is classified as Tier 1 because the parcels meet the following categories:

- Property within a strategic geographic location that is considered vital to the redevelopment of the project area, which geographic location is identified in the Project Area Plan.
- Property is specifically identified in a Salt Lake City adopted master plan.
- Property is a parcel or parcel assemblage that totals two or more contiguous acres in size.
- Property is listed on the local or national register of historic places as historically significant (Site 2 – Salt Lake Mattress Company Building).

Current Status:

In early 2020, the RDA and University of Utah (U-of-U) Department of Real Estate Administration engaged in discussions on the establishment of a downtown University presence at Station Center. With the Mayor's support, both parties commissioned a study by HR&A Advisors that evaluated the feasibility of partnering to create a University-anchored Innovation District, something that is specifically called for in Plan Salt Lake, the City's Downtown Master Plan, and the Tech Lake City and BioHive initiatives. The Agency is currently working with the U-of-U to define a path forward to implement our joint vision for the project.

Property Reuse Plan:

In addition to creating a model of successful transit-oriented development, the RDA recognizes the unique opportunity to do something especially impactful with Station Center and aims to ensure that the project supports the following priorities:

- Establish Station Center as the City's flagship downtown hub of research and innovation activity, with a specific focus on the life sciences and community health sectors;
- Create a comprehensive neighborhood with a robust mix of uses (affordable housing, office, research, retail, dining, and nightlife opportunities) that meet the needs of a diverse community;
- Raise the bar for implementing affordable, equitable, and sustainable development and programming strategies;
- Develop high-density, mixed-use buildings with active street-level uses;
- Require development that complies with Station Center Design Standards and Guidelines and complements the urban form and character of the SLC Warehouse National Historic District;
- Introduce new mid-block street connections and reconstruct the existing 300 South into a pedestrian-oriented "festival street" to serve as a public gathering space;
- Upgrade utilities to support the future density of the neighborhood;
- Implement strategies to reduce auto dependency and encourage use of the many nearby multi-modal transportation options; and
- Support the potential for a permanent, year-round public market.

Infrastructure Improvements:

Staff is currently working with a consultant and multiple City Divisions to finalize the design/construction documents for proposed public improvements to be made in the area, including three (3) new mid-block streets, the reconstruction of 300 South into a pedestrian-oriented "festival street," utility upgrades, and other streetscape improvements. The Board has allocated \$8.9 million to construct Woodbine Court and to reconstruct 300 South and it has been anticipated that the remainder of the improvements may be funded with property disposition proceeds.

Method of Disposition:

The Real Property Disposition Policy allows for disposition via exclusive negotiation in certain circumstances, including if the sale or lease of property is to a non-profit or governmental agency for a community development or public use. The RDA is considering disposing of the property to the U-of-U through exclusive negotiation because the University is a Special Purpose Government Agency and the proposed Innovation District project would result in significant community and economic benefits for Salt Lake City. This includes activation of the Depot District in accord with multiple City plans and initiatives; expansion of the U-of-U's highly successful technology commercialization efforts which results in new company creation and talent retention/attraction; increased innovation and research activity which creates employment opportunities and brings outside funding to the City that is trickled down through the local economy; provision of equitable opportunities for those not typically engaged in these sectors to access U-of-U spaces and support services; implementation of the City's affordable and family housing priorities with a focus on displacement mitigation; creation of affordable commercial spaces for local businesses and nonprofits; community health programming; sustainable development strategies, and more.

Potential Structure:

Staff has evaluated several disposition options and the structures of other innovation districts across the country. Based on this evaluation and discussions with the U-of-U, the preferred structure is for the U-of-U to purchase the RDA's property through a fee title sale. In turn, the University would ground lease/sub-lease the property to a private developer/end-user selected through a competitive Request for Proposals (RFP) process. Primary considerations of the preferred structure are outlined below:

- RDA would sell its property to U-of-U at or near a fair market, appraised value.
- RDA would be compensated for the full value of land upon sale, whereas a ground lease by the RDA would provide smaller lease payments over time.
 - Provides for a portion of the land sale proceeds to be used to fund construction of infrastructure improvements (with Board allocation).
 - Opportunity for remaining funds to be used to carry-out other RDA priorities across other project areas.
- The U-of-U would maintain long-term ownership and preserve the Innovation District use through ground leasing to end-users.
- U-of-U would use ground lease revenues obtained from sub-lessees to fund District programming and maintenance.

One of the first steps in the overall process would be to execute a partnership agreement between the RDA and U-of-U that would establish partnership roles and responsibilities, the selected Innovation District governance structure, protective covenants and other restrictions to be placed on District properties, the development review process, etc. It is anticipated that the City will have representation within the Station Center governance entity, and that the RDA will participate in creation of the RFP(s), developer selection process, and design review of the selected development proposal(s).

Tentative Timeline and Next Steps:

While the timeline will be influenced by economic conditions and the complexity of the selected project, the RDA is estimating that the disposition schedule will be as follows:

- Q3 2021:** Present property disposition strategy to RDA Board of Directors (BOD).
- Work with U-of-U to refine development strategy with further market analysis and land use planning. Determine governance framework and mechanism for infrastructure maintenance funding.
- Q4 2021:** Return to RDA BOD with informational update on findings from further analyses and disposition/development plans.
- Execute overarching RDA – U-of-U partnership agreement.
- Execute property disposition agreement with U-of-U.
- Q1 2022:** Draft and release joint request for proposals (RFP) for first development phase.
- Q2 2022:** Select developer for first phase of project. Return to RDA BOD for informational update on selected proposal.



REDEVELOPMENT AGENCY *of* SALT LAKE CITY

STAFF MEMO

DATE: May 27, 2021
PREPARED BY: Kort Utley
RE: Project area creation priorities

REQUESTED ACTION: Briefing

POLICY ITEM: Not applicable.

BUDGET IMPACTS: Not applicable.

EXECUTIVE SUMMARY/ANALYSIS: A function of the RDA Board is the creation of community reinvestment areas, or “Project Areas,” which aid the redevelopment of neighborhoods experiencing disinvestment. Staff is requesting discussion by the Redevelopment Advisory Committee regarding potential new Project Areas to ensure staff resources are deployed in a manner consistent with Agency objectives, and to facilitate discussion of potential new Project Areas with the RDA Board of Directors and taxing entity partners such as Salt Lake County and Salt Lake City School District.

The Agency currently has eight Project Areas, including the following:

- Central Business District
- Depot District
- Granary District
- North Temple
- Northwest Quadrant
- Stadler Rail (Single purpose project area)
- 9 Line
- State Street

While Salt Lake City and the Salt Lake City School District have approved the State Street Project Area, negotiations continue with Salt Lake County, who has yet to approve this area.

In addition to these existing Project Areas, the Agency is in the process of studying a Project Area for Research Park. In January 2020, the Board adopted a boundary survey resolution which started the process to study a potential Project Area in Research Park. Agency staff provided the Board with an update last month, outlining next steps in the project area creation process for Research Park, such as a public benefits analysis and creation of a project area plan, which the Board would review later this year and make a determination on whether to further pursue a project area in Research Park.

Project areas in the West Temple Gateway, Sugar House, and West Capitol Hill neighborhoods have expired over the last several years, but the Agency is still completing a limited number of projects in these areas.

ANALYSIS & ISSUES: Creating new Project Areas is a significant undertaking which involves significant staff time, public input, and multiple actions by the RDA Board and City Council. When considering creating new Project Areas, the Agency must also consider the perspectives of other taxing entities who may participate financially in the Project Area, such as Salt Lake County and Salt Lake City School District. These entities have their own financial constraints and goals.

Staff has discussed several potential Project Areas that would align with the Agency's mission and values of Economic Growth, Community Impact, and Neighborhood Vibrancy. Staff will present these potential new Project Areas to the RAC for discussion.

ATTACHMENTS:

A. Map of RDA Project Areas

MINUTES
FROM THE MEETING OF THE
REDEVELOPMENT ADVISORY COMMITTEE
Wednesday, April 7, 2021

4:00 p.m.

This meeting was an electronic meeting pursuant to [Salt Lake City Emergency Proclamation No. 2 of 2020 \(2\)\(b\)](#).

Chairperson Doughty read the following statement:

I, Brian Doughty, Redevelopment Advisory Committee Chair, hereby determine that conducting the Redevelopment Advisory Committee meeting at the anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location. The World Health Organization, the President of the United States, the Governor of Utah, the Salt Lake County Health Department, Salt Lake County Mayor, and the Mayor of Salt Lake City have all recognized a global pandemic exists related to the new strain of the coronavirus, SARS- CoV-2.

Due to the state of emergency caused by the global pandemic, I find that conducting a meeting at an anchor location under the current state of public health emergency constitutes a substantial risk to the health and safety of those who may be present at the location. Moreover, the City & County Building, which is the anchor location for Redevelopment Advisory Committee meetings, is presently closed for regular occupation due to damages sustained during the March 2020 earthquakes.

1. Roll Call

The following members were present:

Brian Doughty, Chairperson
Claudia O'Grady
Mark Isaac

Mojdeh Sakaki, Vice-Chairperson
Rosa Bandiernha

The following members were absent:

Jason Head

Also Present:

Tammy Hunsaker, RDA Deputy Director; Robyn Stine, RDA Office Facilitator; Lauren Parisi, RDA Project Manager, Ashley Ogden, RDA Project Manager, RDA Corinne Piazza, Project Manager, Cara Lindsley, RDA Project Manager, Jim Serrine, RDA Property Manager, Amanda Greenland, RDA Communications and Outreach Manager, Ben Kolendar, DED Director, Allison Parks, Senior City Attorney, Luke Garrott, Building Salt Lake

Roll call was held to introduce new committee member, Rosa Bandiernha.

2. Briefing by the Staff

A. Japantown Design Strategy – Corinne Piazza, Project Manager – 6minutes to 18.:11

Ms. Piazza introduced herself to the new members and shared her screen.

Ms. Piazza said since 2018, the Agency has been working with the Japanese American community which began when staff was tasked by the RDA Board to work with area stakeholders and the Japantown Community on ways to mitigate the potential impacts of the West Quarter development on Japantown Street at 100 South between 200 and 300 West. A result of the facilitation process was the recommendation for a consultant to help the Japantown Community articulate their vision for the public right-of-way improvements they'd like to see, and the Board allocated \$100,000 in Agency CBD placemaking funds for the Design Strategy. This Design Strategy is intended to be a tool for the community to consolidate their ideas in one place and begin seeking funding for the improvements that they want to see. Ms. Piazza said the Agency worked with the Japantown Community to select GSBS Architects as the consultant for the Japantown Design Strategy and began work on the study in January 2020.

Ms. Piazza explained that the Design Strategy was created through extensive community engagements and based on the community's vision. These are the four main points of the strategy:

1. Community Engagement
2. Due Diligence
3. Implementation/Maintenance Cost Estimates
4. Best Practices

Ms. Piazza said the community engagement ~~entire~~ process was crafted with the Japanese American Community including representatives from the Japanese Church of Christ (JCC), the Salt Lake Buddhist Temple (SLBT), and the Japanese Community Preservation Committee (JCPC). In addition, there was a sub-committee of approximately 20 community members that reviewed drafts, processed ideas and fine-tuned some of the ideas from the community. Ms. Piazza said that area stakeholders were engaged as well as there are several stake holders with a variety of uses for the street, explaining how the Salt Palace utilizes the street for loading and unloading for their events. She said the community created a vision statement and design guideposts to be a guide through the process so as the community begins seeking funds for the actual design stage, they have these guideposts for how they want the look and feel to be for the area. Ms. Piazza said the vision statement is *Okage sama de* which means "I am who I am because of you." She added that it was important to the community because it respects previous generations and what they have done and what came before them as well as looking towards the future. She said the community wanted the area to be a place of vibrancy, generations, gathering, senses and of intrinsic beauty.

Ms. Piazza said GSBS based the initial three concepts on community feedback and asked the community to pick from all three what they liked, what worked, and what does not to begin finalizing what the street could look like. Ms. Piazza said a big consideration for the layout of the street are the two main festivals that the community puts on every year. She said GSBS worked with the festival committees to understand the requirements to ensure that whatever the new layout was, it could accommodate those

needs. She added that the three focus areas were functionality and the creation of a festival street and a combination of everyday uses, safety and placemaking.

Ms. Piazza said based on the community feedback, the placemaking ideas were broken down into three categories:

- History and storytelling
- Art Elements
- Functional placemaking

Ms. Piazza said that this was a preference exercise as the pieces have not been designed yet. She said that bollards and decorative pavement were discussed and that an entryway that symbolized the entry to a special place was important to the community, preferring a vertical sculpture rather than an archway.

Ms. Piazza said GSBS architects incorporated the place making elements into the final preferred street design, and the next step was to create three phases of improvements as the community would be applying for funding and a phased approach would allow for improvements to happen over time, and each phase would build upon the other with each phase ~~having the three~~ including elements of functionality, safety and placemaking.

Ms. Piazza said that GSBS worked with the Japantown Representatives to select three Japantowns to learn from and they were San Francisco's Japantown, San Jose's Japantown and Sakura Square in Denver. She said they specifically looked at how they were funded and managed and found there was a variety of different ways they are managed. She said some have their own land development corporation that oversees the area, some are nonprofit, some have state funding for the preservation of Japantowns. But even though that varied across the Japantown structures, one thing that was absolutely across the board and important for their success was they had a clear management group and decision-making process to oversee the work that comes with funding and programming of an area. Ms. Piazza said based on the best practice report, GSBS recommended that the next steps for the community would be to establish a Japantown Management Group that would create a decision-making process, prioritize the elements in the phasing from this study, seek and manage the funding, oversee the programming of Japantown street, and work with area stakeholders and community partners to engage and interact with Japantown street overall.

Mr. Doughty asked will the West Quarter Development have any street engagement on the Japantown side of the building? Ms. Piazza said they are required to have a setback and some outdoor engagement and seating for their retail. Additionally, the RDA required a mid-block walkway to connect to the parking lot so when the SLBT and JCC are ready to develop their property, it can be created into a pathway to connect the development with Japantown Street.

Mr. Doughty asked what plans do the Churches have to develop the parking lots? Ms. Piazza said it is on the radar, but likely will not be for a while as the churches get used to the concept and the ideas of what they want to build.

Ms. Sakaki asked what the anticipated timeline is for each phase. Ms. Piazza said there is not a timeline associated with them yet. She said the next part will be the community organizing a management group so that they can have the structure necessary to oversee that type of funding and implementation.

Ms. Sakaki asked if there were any remedies thought of for the expected congestion in the area. Ms. Piazza said that as part of the due diligence, GSBS worked closely with our key departments, Transportation, Fire, Streets, Utilities, and incorporated all their feedback.

Mr. Isaac said he was impressed with how thoroughly the design guideline was and is looking forward to the project being executed.

B. RDA Equitable & Inclusive Development Work Plan – Ashley Ogden, Project Manager

Ms. Ogden said she was going to share about the initial efforts the Agency has taken to encourage more equitable and inclusive development strategies. She said over the past year RDA staff has been working to educate themselves about the history of racial and social inequities within the real estate industry while also considering the Agency's role within that context. Ms. Ogden explained that a few examples are included in the packet of how the industry has used tools like redlining to intentionally suppress and segregate minority communities. She said that these same communities have historically been disregarded and displaced when it was time to build big economic development projects like new airports, freeways, convention centers or sports arenas. She added that when cities like Salt Lake City are experiencing tremendous growth, it is the same groups of vulnerable people who are feeling the pressures of gentrification and displacement now that their neighborhoods, which were previously considered undesirable, are seen as attractive to developers or new homebuyers. She said it is the Agency's job to make targeted investments in these parts of the City that often by design, have experienced disinvestment and neglect. Adding that when it comes to the City's racial, social, or economic equity efforts, the RDA is a powerful tool to have available.

Ms. Ogden said Staff has developed the RDA's Equitable and Inclusive Development Work Plan and in its current form, it is meant to be an internal guidance document for Staff. She said it is to be used for project prioritization and budgeting efforts outlining the Agency's equitable and inclusive development goals, next steps to be taken to support those goals, and some initial ideas for new programming that would directly support the plan. Ms. Ogden said this section of the purpose statement contained in the work plan, gets to the heart of it:

As part of its mission to revitalize neighborhoods and business districts in a way that fosters livability and neighborhood vibrancy, the Agency is in a unique position to ensure the inclusion of equitable development strategies that encourage everyone to participate in and benefit from new investments being made in their neighborhood.

Ms. Ogden explained the goals included in the work plan:

1. Utilize socioeconomic data to define needs and inform where/how Agency resources should be used and prioritized, for both existing project areas and as part of the project area creation process.

2. Provide opportunities that make it more financially feasible for existing residents/business owners to remain living/doing business in their neighborhoods (or return to the neighborhoods that they were already priced out of).
3. Support the creation of opportunities for those who have historically rented in the community to build wealth and establish permanent roots through home/commercial ownership.
4. Provide opportunities to establish new services, amenities, or underrepresented business types in the neighborhood that the local community identifies as lacking and desires.
5. Preserve and protect neighborhood character and cultural assets—once a neighborhood's culture is displaced, we will find ourselves expending effort to recreate that local character, but it will never be as authentic.
6. Help strengthen local organizations and support leadership building by partnering in community-led initiatives.
7. Strengthen the Agency's community outreach efforts in ways that provide a platform for community members' life experiences and knowledge to inform and influence the Agency's work.
8. Enhance capacity of non-traditional applicants to apply for Agency programs and offerings by providing more education and technical assistance than what may be typical.

Ms. Ogden then shared a list of action items for Staff to use to implement the plan and begin to infuse equitable development strategies into their work. She said the first task identified would be to assemble a database of indicators related to residential and commercial vulnerability and displacement risk, as well as opportunity access. She said there are examples listed within the packet and are largely factors that would pressure a household to leave their neighborhood. She said the concept of opportunity access measures the proximity one has to things that are shown to improve one's quality of life and potential for upward mobility.

Ms. Ogden said action item number two identified is to amend the RDA Guiding Framework and Livability Benchmarks. She said this document outlines the RDA's project evaluation process, mission and values and it lists focus areas for the livability benchmarks, which are used to evaluate funding requests received and to gauge the level of public benefit the project includes. She added that the RDA prioritizes funding for projects that provide significant community benefit and the more boxes a project can check, the more willing the RDA would be to participate and help fund it. Ms. Ogden explained that the RDA would slightly amend the Guiding Framework to communicate a clear value for racial and social equity, and also in the Benchmarks to encourage developers to include some equitable and inclusive development strategies in their projects.

Ms. Ogden said some ideas Staff discussed for new benchmarks would include:

- Giving a developer credit for setting aside commercial spaces with rents set below market rate value for preferred tenant types, including minority or women-owned businesses, the relocation of existing businesses already in the community, new businesses created by existing neighborhood residents, nonprofit services, or underrepresented businesses that the community desires.
- The inclusion of affordable for-sale housing units.
- The inclusion of family friendly housing forms or unit types and sizes.

- Affirmative marketing of new affordable housing units to preferred tenant types, such as current or former community residents, family members who are current or former community residents, or those with strong community ties or utilize essential services in the neighborhood.
- Encouraging more robust community engagement efforts, such as the developer attending local Community Council meetings, mailed notices to property owner owners or tenants within 300 feet of a project site, and for Staff to work with the developer to ensure that all feedback received was thoughtfully considered and incorporated into the project where possible.

Ms. Ogden said the third action item is to identify opportunities to amend existing programs and policies or design new programs to address the Agency's goals. For example, the RDA property disposition process is when the Agency has the most control over what is developed and how it is programmed. She said the Agency wanted to take the opportunity to include items like explicit tenant preferences or affordability levels for both residential and commercial spaces. She said Staff also discussed an affordable storefront activation program, where the Agency could gain control of ground floor commercial spaces through ownership or master lease and lease the spaces with certain levels of affordability and tenant preferences. Ms. Ogden said another goal of that program would be to activate ground floor spaces which sometimes are underutilized and serve as residential amenity spaces rather than true commercial spaces.

Ms. Ogden said a funding program for community led initiatives where nonprofit or community-based organizations could apply for funds for non-housing projects, was also discussed. Adding the intent would be to strengthen local community groups, support leadership building and strengthen the relationship that the RDA has with the communities they work in. Ms. Ogden said the Agency is considering an ADU incentive or loan program, which would apply mainly to the 9-Line and State Street Project Areas. She said the final action items are to identify areas where the Agency could provide more technical assistance to non-traditional applicants; use best practices issued by the Salt Lake City Civic Engagement team to develop intentionally inclusive and culturally specific community engagement to empower the residents to make their voices heard; to communicate a clear value for racial and social equity in RDA communication materials; and identify opportunities for marketing or outreach tools to reach a broader range of project types and a broader applicant pool.

Ms. Ogden explained the next steps for implementing this work plan. First, the City is planning to commission a Citywide Equity Inclusion and Belonging Plan as well as a Citywide Gentrification Mitigation Plan. She said when the two plans are finalized, the RDA will incorporate some of those recommendations into this work plan.

Ms. Ogden said one of the primary ways to implement this plan is through the budgeting process, and by directing dollars towards these types of initiatives, which would be an ongoing process that RAC would be involved with as well as the RDA Board.

Mr. Isaac said this is fantastic and suggests other City departments get on board with the RDA guidelines it would give it added strength.

Mr. Doughty ask if this is a program that has been implemented in other cities. Ms. Ogden said many other cities are taking similar steps and one that Staff referenced is Portland's Redevelopment Agency which underwent a total rebrand and now call themselves Prosper Portland with every action and

investment they make being considered through this type of lens. She said Salt Lake City is not the first, but many government entities are starting to implement these types of initiatives and priorities.

3. Approval of the minutes of the December 2, 2020 and March 3, 2021 meeting(s)

Ms. O'Grady made a motion to approve the minutes from the December 2, 2020 meeting. Ms. Sakaki seconded the motion. Upon roll call, the motion passed unanimously.

Ms. Sakaki made a motion to approve the minutes from the March 3, 2021 meeting. Ms. O'Grady seconded the motion. Upon roll call, the motion passed unanimously.

4. Business

None

5. Adjournment.

There being no further business the meeting was adjourned.

Brian Doughty, Chairperson

This document along with the digital recording constitute the official minutes of the Redevelopment Advisory Committee held April 7, 2021.