

Housing and Transit Reinvestment Zone Committee
City of Salt Lake - SL Central
GOEO Offices, 60 East South Temple, Suite 300, Salt Lake City, Utah 84111
Canyonlands Conference Room 341

January 13, 2025 • 10:30 AM – 11:45 AM

Minutes

Committee Members Attending: Senator Wayne Harper, Representative Stephen Whyte, Representative Jim Dunnigan (remote), Chairman Ryan Starks (GOEO), Danny Walz (SLC RDA), Jim Evans (Transportation Commission), Kirt Slaugh (State Treasurer's Office), Beth Holbrook (UTA Board of Trustees), Kersten Swinyard (SL County), Alan Kearsley (SLCSD), Ashley Anderson (SLCSD), Noah Baskett (City Library)

Excused Member: Senator Kirk Cullimore

GOEO Staff Attending: Tanner Anderson, Kate Hall, Allison James-Garcia

Guests Attending: Susie Becker (ZPFI), Todd Jenson (AG's Office), Jason Gardner (Utah Tax Commission)

SLC CRA, UTA, and other guests: Kate Werrett, Marcus Lee, Ashley Ogden, Lauren Parisi, Wayne Mills (remote), Tracy Tran (remote), Kristina Harrold (remote), Paul Drake (UTA), Gavin Gustafson (UTA), Michelle Larsen (remote - UTA), Heather Barnum (remote - UTA), Jonathan Hardy (remote - Developer, Blaser Venture), Gretchen Milliken (remote - Developer Blaser Ventures) and others

SL County representatives: Chris Stavros (Assessor - remote), Chris Harding (Auditor - remote) and others

MPO representatives: Miranda Jones Cox, Andrew Gruber, Rob Jolley (consultant)

1. Welcome

Mr. Ryan Starks of the Governor's Office of Economic Opportunity welcomed all to the HTRZ meeting. This meeting is occurring because the City of Salt Lake City submitted an application for the creation of an HTRZ. This is the second HTRZ proposal submitted by Salt Lake City.

2. Oath of Office

Tanner Anderson, GOEO staff, administered the oath of office to new members, including: Ashley Anderson (SLCSD) and Noah Baskett (City Library). Both members were present in-person in order to receive the oath of office.

Jim Evans, Kirt Slaugh, Senator Wayne Harper, Representative Whyte, Representative Dunnigan, Beth Holbrook, Danny Walz, Kersten Swinyard and Alan Kearsley, all performed their oath of office at an earlier date. Because of this, they did not need to be sworn in again.

*Ryan Starks was sworn in by Tanner Anderson at a later date and will continue his role as chair for the follow-up meeting.

3. Approval of Minutes

The minutes from the last HTRZ Committee (Farmington follow-up), which took place on July 9, 2024, were approved. The motion to approve was made by Ms. Beth Holbrook and seconded by Mr. Jim Evans.

4. Overview of Proposal

Ms. Ashley Ogden presented an overview of the HTRZ proposal from the area surrounding the SL Central station, otherwise known as the intermodal hub. Ms. Ogden reviewed the legislative objectives of HTRZ and how the SLC proposal meets or exceeds those objectives. She highlighted how the HTRZ intends to bring transformative mixed-use development and enhanced transit to this area, improve safety and efficiency through new mid-block streets, create new open spaces, partnering with developers to overcome site challenges and current market conditions, and form public-private partnerships to deliver affordable and for-sale housing options.

Ms. Ogden outlined the partnership with UTA to redevelop UTA's ~26 acres of land located within the HTRZ. The proposal includes a new UTA headquarters with retail and amenities for transit riders. Ms. Ogden also included an overview of the Rio Grande District plan and how the HTRZ fits into it. She also discussed modes of transportation impacting the area, including the Green Loop and the TechLink TRAX improvements study.

Ms. Ogden reviewed the proposed property tax increment in two phases. They are requesting Phase 1 to have a 2024 base year with collection commencing in 2025 and Phase 2 to have a 2027 base year with collection commencing in 2028 equalling a 28-year HTRZ term. For sales and use tax increment, they are requesting a base year of 2028.

Ms. Ashley Anderson asked about education and childcare concerns as they were not covered in the presentation. Ms. Ogden addressed the school service patterns and Franklin Elementary School is the closest and is 1.1 mile with direct connection to 400 S Trail. Ms. Ogden indicated that childcare is a high priority for SLC and they do have incentives through the city.

Mr. Kurt Slaugh asked about the number of units that will be 'for sale' vs. apartments and indicated that the opportunity for owner-occupied builds a better community.

Representative Whyte asked about the pro forma. Ms. Kate Werret with SLC CRA acknowledged that they did not include an actual pro forma because they felt it would be 'a lie' due to the number of developments included in this area it would be 'near impossible' to estimate correctly.

5. Review of Zions Public Finance Gap Analysis

Ms. Susan Becker with ZPFI reviewed the independent gap analysis. Ms. Becker highlighted that this is a key area and the proposal does meet the affordable housing and density requirements. For the affordable housing gap analysis, Ms. Becker found the loss in value to be between \$72 million for higher rent and \$28 million for lower rent. For enhanced parking cost, the difference between surface vs. structured is a difference of \$115-184 million with the difference in stalls per acre being 150 for surface parking and 510 for structured parking.

For the public infrastructure costs, Ms. Becker made some assumptions because the proposal did not include details for this. For the analysis, Ms. Becker included land acquisition (5 acres at \$6.6 million per acre), Green Loop (6 blocks at \$10 million per acre), and streetscape & utility upgrades, in all totalling over \$271.5 million.

In summary, Ms. Becker found the total gap to be around \$1.65 billion dollars with potential for more if the parking gap range went to the high end, adding \$33 million more to the gap. For enhanced construction costs for both residential and office space, there is still a question of how much will be enhanced. Ms. Becker reviewed the tax increment projections (applicant = \$578 billion, ZPFI = \$536 billion) and shows the needs potentially exceed tax increment by about 3X.

6. Deliberation

Mr. Kurt Slaugh had questions about other available funding sources for developers and was concerned about the possibility of double-dipping.

Senator Harper questioned ZPFI if they had enough information to give an accurate analysis. Ms. Becker acknowledged that there was no pro forma but it's difficult for SLC to know exactly what will be included in the development as they will be working with multiple developers. Ms. Becker tried to give an accurate picture of the gap with the information she received. Senator Harper reiterated that he is not questioning the merit of this location but is concerned with the lack of financial information provided.

Ms. Kersten Swinyard suggested SLC providing a pro forma for the first phase to the committee so they can have a better understanding for what the HTRZ funds would be used for, especially at such a large ask. Ms. Beth Holbrook agreed that phase one could provide more perspective to the committee.

Mr. Danny Walz responded to these concerns and the challenges they faced in doing this proposal.

There was additional discussion regarding safety concerns for getting students to school in this area and Ms. Anderson reiterated that if the project was successful it would be a hardship on the school district.

There was discussion regarding base year for the property tax increment as SLC and SL County attorney's have different opinions on if it can be triggered in 2025 pending this approval.

Funding Request: Maximum capture of 80% property, sales and use tax increment with a duration of 25 consecutive years per phase over a 45-year period with 2 trigger dates - estimated at \$578.3 million.

Motion: Table the motion and adjourn until after the Legislative session (mid-March) so SLC can provide clarification to unanswered questions.

The motion to adjourn was made by Ms. Beth Holbrook and the motion passed unanimously.

7. Adjourn