###

### Housing and Transit Reinvestment Zone Committee

**Salt Lake City (200 W 900 S) Proposal**

**Utah State Capitol, 350 State St., Salt Lake City, UT 84103**

**Capitol Board Room, Room 240**

November 8, 2023 • 10:00 AM – 11:15 AM

#### MINUTES

**Committee Members Attending:** Representative Schultz, Senator Harper, Jim Grover, Jim Evans, Danny Walz, Kirt Slaugh, Beth Holbrook, Kersten Swinyard, Alan Kearsley, Deborah Ehrman

**GOEO Staff Attending:** Tanner Anderson, Allison James-Garcia, Hyrum Worth, Kori Ann Edwards

**Guests Attending:** Susan Becker (ZPFI), Todd Jensen (Attorney General’s Office), Jason Gardner (Utah State Tax Commission)

Salt Lake City Representatives: Kate Werrett, Lauren Paisi, Marcus Lee, Rachel Otto, Amanda Greenland

MPO representatives: Miranda Jones Cox (WFRC - remote) & Andrew Gruber (WFRC)

Jonathan Hardy and other developer partner representatives

1. **Welcome**

Jim Grover of the Governor’s Office of Economic Opportunity welcomed all to the HTRZ meeting. This meeting is occurring because Salt Lake City submitted an application for the creation of an HTRZ.

1. **Approval of Minutes**

The minutes from the last HTRZ Committee, which took place October 17, 2023, were approved. Senator Harper made the motion to approve the minutes and Jim Evans seconded the motion. Representative Schultz, Senator Harper, Kirt Slaugh, Jim Evans, and Jim Grover voted to approve the minutes.

Beth Holbrook was not present at the October 17, 2023 meeting and did not vote on the minutes. New members, who were not in the October 17, 2023 meeting, abstained from voting. Abstaining votes included: Danny Walz, Kersten Swinyard, Alan Kearsley, and Deborah Ehrman.

1. **Oath of Office**

Tanner Anderson, GOEO staff, administered the oath of office to new members, including: Danny Walz, Kersten Swinyard, Alan Kearsley, and Deborah Ehrman. All four were present in-person in order to receive the oath of office.

Representative Mike Schultz, Jim Grover, Senator Wayne Harper, Jim Evans, Beth Holbrook, and Kirt Slaugh all performed their oath of office at an earlier date. Because of this, they did not need to be sworn in again.

1. **Overview of Proposal**

Rachel Otto, Chief of Staff to SLC Mayor Erin Mendenhall, introduced SLC’s HTRZ proposal and SLC’s housing and transit environment and priorities. Then Lauren Paisi, Senior Project Manager at SLC RDA, provided an in-depth summary of the proposal:

* Project Site Overview
	+ Located at 200 W 900 S – South of SLC Central Business District
	+ High Connectivity
	+ Covers Granary District
	+ Underutilized Transit Infrastructure
	+ 98 acres
* SLC is using a Neighborhood approach that includes numerous developments, public infrastructure and community benefits (urban trails, parks, public art).
* Projected impact:
	+ $442 million in tax increment generated
	+ $2.8 billion increase in taxable value
	+ 1.1 million square ft commercial
	+ 1.9 million square ft office
	+ 440 hotel rooms
	+ 3,600 structured parking stalls
	+ 10,200 housing units
	+ 2,000+ affordable units (deed restricted)
* Affordable housing is the upmost importance to SLC – Estimate 20% of housing (2,034 units) at 60% AMI
	+ Target affordable housing: at least 10% at 60% AMI and below
	+ Support additional 10% through RDA Housing Development Loan Program
	+ $430.5 million gap for decreased rental revenue at 60% AMI
* To make impact as described, support in needed. Showed comparison of mid-density development that includes a large percentage of area taken up by surface parking and 10 to 40 units/acre (status quo) vs. TOD development with structured parking and average of 104 units/acre (with HTRZ funds).
* Reviewed budget including 60% for private development support.
* Provided information about some of the potential private projects (Granary Square, Sixth South, and Pickle &Hide) and public projects (Green Loop and Grand Boulevards) in the HTRZ area. HTRZ may fund a portion of the public projects (e.g., burial of power lines on 600 South estimated to be $50 million).
1. **Review of Zions Public Finance Gap Analysis**

Susan Becker of Zions Public Finance, Inc. (ZPFI) provided a review of ZPFI’s gap analysis. The gap included in this proposal result from affordable housing units, higher density construction types, parking structures, and public infrastructure. Susan indicated the increment generated outlined in the proposal is similar to the numbers ZPFI found as well:

80% increment: Applicant = $354 million over 17 years; ZPFI = $357 million over 17 years.

Susan reviewed the projections provided by the applicant for various line items. ZFPI found the applicant projections for structured parking and higher-density construction costs as reasonable and in range; for affordable housing, ZFPI calculated slightly lower at $406 million. The analysis calculated the gap for affordable housing at $406 million, higher-density construction at $3.5 billion, and structured parking at $76 million equaling $4 billion. This number does not include costs outlined in the proposal for sustainable building construction ($127.8 million), public art (1.5% of the $5.48 billion in construction costs), acquisition of property for public uses ($15-20 million), environmental remediation (no amount provided), utility improvements ($50 million), streetscape and safety improvements (no amount provided), and public transit support ($124 million).

1. **Deliberation on a Motion**

Rep. Schultz gave credit to SLC for addressing the issues for which HTRZ was created for – affordable housing, density, strategic location, water conservation, etc.

Senator Harper asked about transit supported initiatives. Lauren talked about the Trax extension along 400 West and the Green Loop which could use some HTRZ funds for these projects. Kate emphasized that this area has more alternate modes of transportation (bike, Trax) than pedestrian traffic. Senator Harper asked how many units will be for sale. Lauren indicated that is still to be determined but that home ownership is of great importance to the RDA and SLC and they are looking at many ways/programs to increase home ownership.

Discussion included the intended benefit and impact to parcels within the HTRZ boundary but not identified as an HTRZ parcel. Kate indicated that in particular the infrastructure improvements will be a benefit to the whole community not just the parcels listed.

The all-electric requirement was extensively discussed. Senator Harper asked for clarification if it was a policy or ordinance or goal. Lauren indicated it is an RDA policy for new residential construction project and most projects are meeting this policy. Senator Harper and Rep. Schultz both indicated concerns about this policy as energy is a concern in Utah as it grows.

Jim Grover clarified that the 2,000 affordable housing units will be deed-restricted. Lauren also indicated that they provide low-interest loans that can be applied these projects as well. Additional discussion included on when affordable housing will be online (available) and how the committee can make sure that the affordable housing is indeed reaching the statute.

Beth Holbrook (UTA) indicated a tech link corridor study is currently underway looking at the viability of this area. She also asked about walkability, connectivity to transit, and unit size.

There was extensive discussion on how tax will be collected based on the HTRZ boundary being noncongruent. The Utah State Tax Commission and Salt Lake County has concerns on how this can be achieved. Base year, boundary for sales and property tax, how increment can be collected per parcel (workload concerns), noncontiguous nature of the parcels, trigger dates, etc. were all discussed by the committee.

The committee discussed how to have fewer than three trigger dates. The committee discussed if a longer duration could be provided, up to 17 years, if one trigger date would occur. A motion was drafted to consider this request if future legislation allow more than 15 years.

The committee discussed how the approval could proceed if the technical issues as discussed by the Utah State Tax Commission could be addressed.

***Funding Request:* 80% tax increment over 15-year phases over 30-year term**

***Draft Motion:* The Housing and Transit Reinvestment Zone Committee approves the project, as presented to the committee, located within ½ mile of the TRAX stop at 200 West and 900 South for the duration of 15 years or up to 17 years as allowed by statute for a maximum capture of 80% property, sales and use tax increment with the requirement of 20% of affordable housing, averaging 60% of AMI, estimated at $357 million.**

**Contingent on Salt Lake City will work with County Auditors, Utah State Tax Commission and other taxing partners to identify a workable collection and assessment process and submits a partnership agreement to the Governor’s Office of Economic Opportunity. Includes the removal of taxing levies of the increment of multi county assessing and collecting and county assessing and collecting.**

The motion was made by Senator Harper and seconded by Kersten Swinyard. The motion passed with 9 yeas and one no (Alan Kearsley).

1. **Adjourn**