



MOTION SHEET

REDEVELOPMENT AGENCY *of* SALT LAKE CITY

TO: RDA Board Members

FROM: Ben Luedtke
Budget & Policy Analyst

DATE: June 15, 2021

RE: **Budget Amendment #1 of Fiscal Year 2020-2021**

MOTION 1 – ADOPT

I move that the Board adopt a resolution amending the Fiscal Year 2020-2021 final budget of the Redevelopment Agency as proposed by the Administration with the Granary District Community & Cultural Initiative funding going into a holding account.

Staff note: the \$288,173 from the Granary District for Community & Cultural Initiative item will return to the Board when specific project / program proposals are available

MOTION 2 – NOT ADOPT

I move that the Board not adopt the proposed budget amendment and proceed to the next agenda item.





COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Ben Luedtke
Budget and Policy Analyst

DATE: June 1, 2021

**RE: Redevelopment Agency (RDA)
Budget Amendment Number One FY2021**

Project Timeline:

Set Date: April 13, 2021
1st Briefing: May 18, 2021
Public Hearing: May 18, 2021
2nd Briefing: June 1, 2021
Potential Action: June 8, 2021

RDA Budget Amendment Number One includes requested changes to 11 project areas and funds. Total expenditures are \$14,036,871. There is a total of 50 items in this amendment. Most of the proposed items are true-up adjustments based on actual property tax increment received. The annual budget uses a conservative forecasting of property tax increment which results in an end of fiscal year amendment to recognize and adjust budgets based on actual (in this case higher) tax increment revenues.

LEGALLY REQUIRED ITEMS

Many items in the budget amendment are legal requirements for the RDA which mostly fall into three categories:

- Taxing entity payments which are pass throughs from the RDA to the School District or Salt Lake County.
- Tax increment reimbursements to property owners that have agreements with the RDA. If certain conditions are met, then a portion of their property taxes is reimbursed. This is called post-performance because the reimbursement is only provided after the property owner has met the conditions and the County Assessor confirms higher property values.
- State law affordable housing set aside which is required only for some project areas which mostly goes to the primary housing fund (can be used citywide).

DISCRETIONARY ITEMS

The items below are not legal requirements of the RDA. If desired, the Board could decide to take additional time to consider some or all the items below and could decline to fund any of the items.

- A. \$568,354 request for Central Business District (CBD) Commercial Development Loan Program (*page 2 of transmittal from excess CBD tax increment revenue*)
- o If approved, then the loan program would have \$818,354 available to lend in the CBD and does not lapse to Fund Balance at the end of a fiscal year
 - o The Administration is working on revising the loan guidelines which would require Board approval
 - o There are currently no applications in the pipeline for these funds
 - o **The Board may wish to ask:**
 - **What is the timeline for revising the loan guidelines?**
 - **How is the CBD loan program different than the RDA's Revolving Loan Fund?**



- B. \$594,673 request for the Eccles Theater Debt Service Reserve Fund (page 2 of transmittal from excess CBD tax increment revenue)
- If approved, then the reserve fund would have a balance of \$2,132,122
 - From FY21 to FY29 there's a \$7.5 million projected shortfall in revenues to cover bond payments
 - An updated forecast is being developed with the Finance Department
 - **The Board may wish to ask the Administration for a timeline on the updated forecast to account for the pandemic's impact on Eccles Theater operations and the RDA's financial liability.**
- C. \$959,009 request for Station Center infrastructure in the Depot District (page 3 of transmittal from excess Depot District revenue)
- FY22 annual budget is also requesting \$332,179
 - If both requests are approved, then the total project budget would be \$11,178,513
 - The total estimated cost for Station Center is \$14 million to \$16 million based on current designs which means a funding gap of approximately \$3 million to \$5 million
 - **The Board may wish to ask the Administration for a timeline on when construction is planned and how the funding gap could be addressed or if current designs could be brought within the approved lower budget level.**
- D. \$288,173 request for a Community and Cultural Initiative in the Granary District (page 3 of transmittal from excess Granary District revenue)
- FY22 annual budget is also requesting \$443,731
 - This is a new program so the funds would go into a holding account until the Board approves criteria and a process
 - **The Board may wish to ask the Administration:**
 - **What are the goals of this new program and how does it align with the RDA's recently updated guiding framework (see Attachment 2)?**
 - **What can the program accomplish before the Granary District stops collecting tax increment in two years?**
 - **How would interested parties find out about this new program?**
 - **Will the process be first come first served or will criteria provide prioritization?**
- E. \$144,419 request for a North Temple Catalytic Development (page 4 of transmittal from excess North Temple revenue)
- FY22 annual budget also requesting \$289,268
 - If both requests are approved, then the catalytic development fund would have a balance of \$1,293,252
 - There is neither a specific property identified for these funds nor criteria for what qualifies as catalytic
 - **The Board may wish to discuss if the funding level is sufficient to meet goals for the North Temple corridor.**
- F. \$176,611 in 9-Line and State Street Project Area Seed Funds (page 6 of transmittal from excess Program Income Fund (PIF) revenue)
- If the request is approved, then the total seed funds budget would be \$2,181,826. Of that amount \$750,000 was fronted by the RDA to build the new 650 South Main Street TRAX Station contingent upon adjacent developments reimbursing the RDA
 - Note that these funds are flexible between the two project areas and are not limited to one or the other
 - **The Board may wish to discuss if the funding level is sufficient to meet goals for the two new project areas or if there's interest to identify additional funding to invest during the early years of 9-Line and State Street project areas.**

ATTACHMENTS

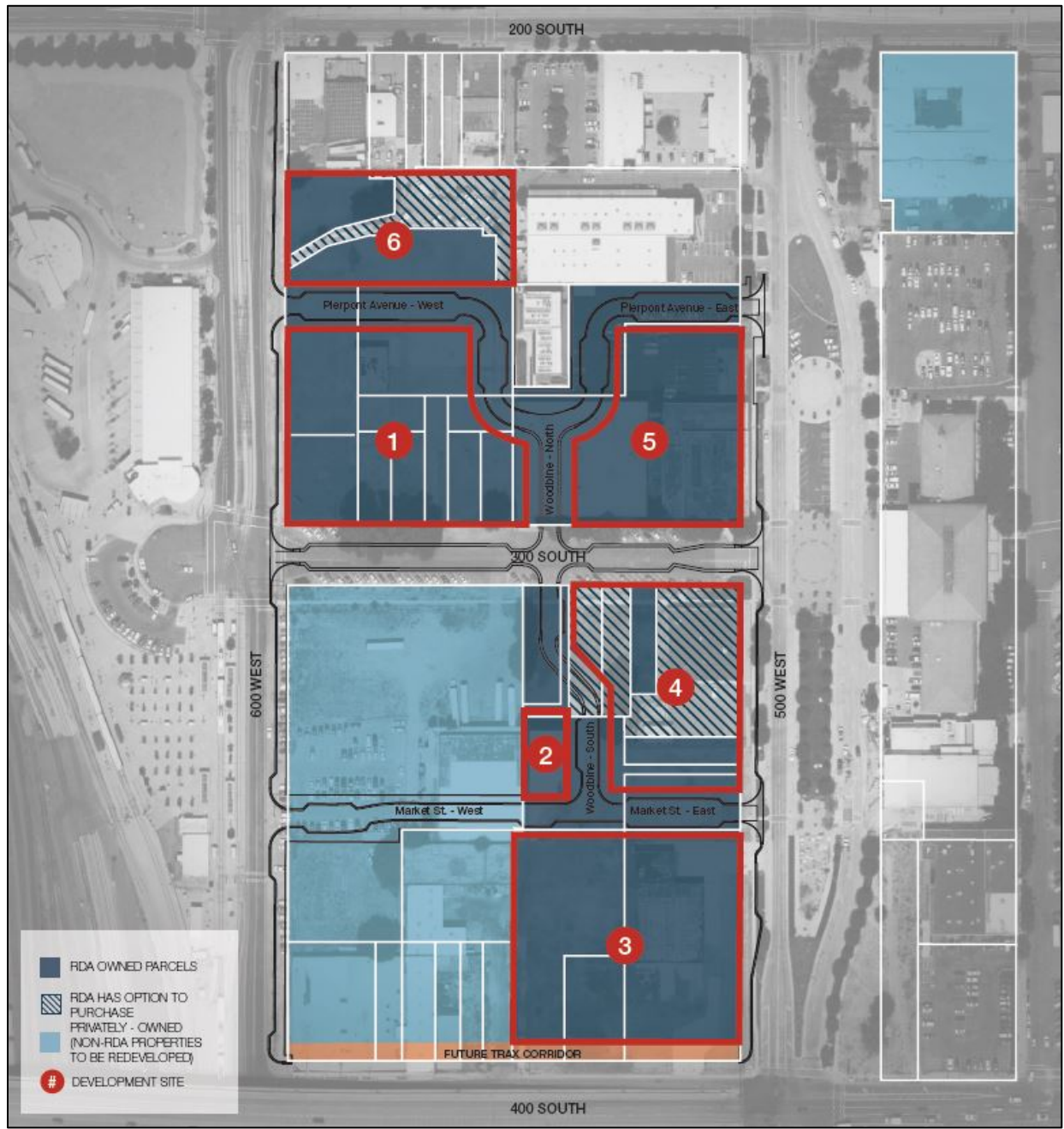
1. Station Center Map with Proposed New Streets
2. RDA Guiding Framework

ACRONYMS

CBD – Central Business District
 FY – Fiscal Year

PIF – Program Income Fund
 RDA – Redevelopment Agency

ATTACHMENT A Station Center Site Plan



Guiding Framework



This Guiding Framework is a strategic operational document outlining the methodology for evaluating and prioritizing projects requesting RDA financial assistance. The RDA's **Mission** and **Values** form the foundation of the Guiding Framework, declaring the RDA's purpose and the intended economic, social, and physical outcomes expected of RDA projects and partnerships.

MISSION: The Redevelopment Agency of Salt Lake City revitalizes neighborhoods and business districts to improve livability, spark economic growth, and foster authentic communities, serving as a catalyst for strategic development projects that enhance the City's housing opportunities, commercial vitality, public spaces, and environmental sustainability.

VALUES: Economic Growth-
We act as a responsible steward of public funds, taking a long-term view of investment, return, and property values.

Community Impact-
We prioritize projects and programs that demonstrate commitment to improving equity and quality of life for residents and businesses in Salt Lake City.

Neighborhood Vibrancy-
We cultivate distinct and livable built environments that are contextually sensitive, resilient, connected, and sustainable.

PROJECT EVALUATION PROCESS: In the context of the **Mission** and **Values**, the RDA evaluates projects via three steps, which answer the following questions: 1.) Does the project meet the minimum **THRESHOLDS** required for RDA participation? 2.) To what degree does the project benefit the public by achieving defined **LIVABILITY BENCHMARKS**, thereby warranting RDA assistance? 3.) Does the project meet the **CRITERIA** outlined in existing RDA programs and policies, such as the RDA Loan Program or Tax Increment Reimbursement Program?

<p>Step 1: THRESHOLDS</p>	<ul style="list-style-type: none"> Alignment with adopted City policies & plans Alignment with Project Area Work Plans* Financial viability with a demonstrated and reasonable need for public assistance 		
<p>Step 2: LIVABILITY BENCHMARKS</p>	<p>Economic Growth</p> <ul style="list-style-type: none"> Leveraging Timeliness Return of Investment Permanent Job Creation & Retention Business Districts Targeted Resources 	<p>Community Impact</p> <ul style="list-style-type: none"> Public Space Transit Opportunities Local Business Opportunities Mixed-Income Neighborhoods Neighborhood Safety Public Art Community Support 	<p>Neighborhood Vibrancy</p> <ul style="list-style-type: none"> Quality Materials Site & Urban Design Building Design & Architecture Sustainability Walkability Historic Preservation Adaptive Reuse
<p>Step 3: PROGRAM CRITERIA</p>	<p>Evaluation of project according to respective RDA policies, programs and procedures</p>		

*Spanning a 1-3 year time frame, Project Area Work Plans identify redevelopment objectives and strategic redevelopment projects for each project area, along with a corresponding schedule & budget for each project. The Project Area Work Plans will be based on relevant City policies and plans and the Project Area Plans that were adopted when the project area was created and will provide direction for the annual RDA budget process.