

UPDATE 650 S MAIN TRAX STATION

RDA BOARD MEETING – DECEMBER 8, 2020



SLCRDA

650 S MAIN TRAX STATION

BACKGROUND

- New development in the 600 S and 700 S Main Street area
- Opportunity to build a 650 S Main TRAX station using funding contributions from private property owners
- \$639,601 FY19 RDA budget appropriation for station
- Board appropriated additional \$750,000 in FY20 to cover contributions for developments not yet underway when construction funding is needed for station

LOCATION MAP

- 1: 650 S Main
- 2: 6th & Main
- 3: Seven O2 Main
- 4: 650 S Main Phase 2
- 5: Sears Block
- X: TRAX Station



650 S MAIN TRAX STATION

STATUS

- RDA working with UTA, SLC Transportation, and SLC Arts Council to design station and select public art
- Design agreement with UTA executed May 2020
- CRSA selected through competitive RFP process for design
- 30% construction documents are complete

650 S MAIN TRAX STATION

STATION

- Similar to 900 South Station that was built in 2005
- North half of 600-700 S block of Main Street
- Station included in original 1997 design plans; no track work required
- Mid-block crosswalk ~660 S Main Street



650 S MAIN TRAX STATION

PUBLIC ART

- 3 finalists selected from SLC Arts Council's on-call artist pool
- Proposals reviewed by Art Design Board
- "Crossroads" by Jiyoun Lee-Lodge selected on December 3, 2020



650 S MAIN TRAX STATION

FUNDING AND DEVELOPER CONTRIBUTIONS

- Estimated Construction Cost \$2,000,000
- RDA FY19 Appropriation \$ 639,601
- Total Developer Funding \$1,360,399

Project	Acres	Contribution*
650 Main - Patrinely Group	3.45	\$328,831
6th & Main - Lowe Property Group	1.06	\$101,289
Seven O2 Main - PEG Companies	2.23	\$141,378
645 West Temple - Sinclair (Phase 2 of 650 Main)	3.13	\$298,149
Sears Block - Colmena	7.73	\$490,753
	17.60	\$1,360,399

\$788,901

*Weighted contribution amounts were calculated using acreage and station adjacency

650 S MAIN TRAX STATION

REQUEST

- RDA Board approval of approach
 - Use \$750,000 FY20 appropriation and \$38,901 in project area seed funds from FY21 budget
 - Continue to pursue and negotiate future contributions from remaining two projects to repay RDA
- Move forward with executing construction agreement with UTA
- Negotiate developer participation agreements

650 S MAIN TRAX STATION

NEXT STEPS

- Construction agreement with UTA finalized, ready to execute
 - RDA responsible for collecting contributions in escrow prior to construction
 - UTA responsible for bidding, construction management, start up testing, ongoing maintenance and operation of the station
- Developer participation agreements to be negotiated
- Final design scheduled for completion in February 2021
- Bidding anticipated Spring 2021
- Construction anticipated Summer - Fall 2021
- Station anticipated to open by December 15, 2021

QUESTIONS?



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DEPARTMENT of ECONOMIC DEVELOPMENT

AGENCY STAFF MEMO

DATE: November 20, 2020
PREPARED BY: Cara Lindsley
RE: 650 S Main TRAX Station Funding

REQUESTED ACTION: Briefing
POLICY ITEM: N/A
BUDGET IMPACTS: \$788,901 (\$750,000 from FY20 Budget Amendment #1 650 S Main TRAX appropriation, \$38,901 from FY21 State Street seed funds budget appropriation)

EXECUTIVE SUMMARY:

The RDA is working with SLC Transportation and UTA to design and build a TRAX station at approximately 650 South Main Street using funding contributions, in part, from private property owners who are planning new developments in that area. The RDA has received contribution commitments from three developers with projects currently under construction; contributions from two additional projects that are still being planned are anticipated to complete the funding. The RDA is requesting the Board's approval to use State Street Project Area "seed funds" to complete the construction funding for the station, with the intention of continuing to pursue and negotiate future contributions from the remaining two projects to repay the RDA. The Board appropriated \$750,000 in November 2019 to cover these contributions; the remaining \$38,901 could come from the FY21 budget appropriation for State Street Project Area seed funds. The Board's approval of this approach will allow the RDA to execute the construction agreement with UTA and the participation agreements with developers, and work with UTA to finalize the station design and put the project out for bid.

BACKGROUND:

In 2019, the Redevelopment Agency of SLC (RDA) and SLC Transportation Division began discussing an opportunity to build a TRAX station at approximately 650 South Main Street using funding contributions, in part, from private property owners who are planning new developments in that area. This location would represent the final station within the original 1997 design plans for the TRAX system that was built in advance of the 2002 Olympic Games; UTA ultimately decided to wait to build this station until more of the nearby properties were developed, but the rails were constructed to accommodate this future condition. Five new projects in this area are currently planned, with three already under construction.



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BUSINESS
DEVELOPMENT



ANALYSIS & ISSUES:

RDA Budget Appropriations and Station Funding Approach

The RDA Board appropriated \$639,601 in FY19 Budget Amendment #4 to contribute to the estimated \$2,000,000 cost of constructing a new station at 650 S. Main Street. Using a formula that considers the property size and location of each development, contributions from four participating developers have been calculated to make up the remaining \$1,360,399 of the estimated construction cost. The RDA used \$300,000 of the FY19 appropriation to execute an agreement with UTA for design management services. UTA's consultant, CRSA, began work in August 2020 and is currently developing construction drawings; we anticipate the project being ready for bidding in early Spring 2021.

The RDA is now ready to execute a construction agreement with UTA to document the RDA's and participating developers' obligation to provide funding for UTA to construct, integrate, and open the station, and UTA's obligation to manage construction, open the station, and conduct ongoing maintenance and operation of the station. The RDA has received commitments totaling \$571,498 from three developers whose projects are currently under construction: Patrinely Group ("650 Main"), Lowe Property Group ("Sixth & Main"), and PEG Companies ("Seven 02 Main"). Together, these three projects will bring 320,000 square feet of class A office space, 10,000 square feet of ground floor retail space, and 409 apartment units to this new extension of Salt Lake City's urban core. Patrinely Group, Lowe Property Group, and PEG Companies are prepared to execute participation agreements with the RDA to formally commit their contributions as soon as the RDA-UTA construction agreement has been executed and can be provided as an exhibit to the participation agreements.

Contributions associated with the remaining two projects, which have not been finalized, are anticipated to total \$788,901. The RDA is requesting the Board's approval to use State Street Project Area "seed funds" to complete the construction funding for the station, with the intention of continuing to pursue and negotiate future contributions from the remaining two projects to repay the RDA. The Board appropriated \$750,000 in November 2019 to cover these contributions; the remaining \$38,901 could come from the FY21 budget appropriation for State Street Project Area seed funds.

RDA Budget Contingencies and Next Steps

It should be noted that the Board's approval of the November 2019 budget appropriation was based on three contingencies:

- Reporting finalized designs and cost estimates to the Board,
- Providing a plan to fully fund the project, including commitments from third parties other than the RDA and,
- An agreement with UTA in which UTA commits to operate and maintain the station

If the Board agrees to the proposed approach, the RDA will execute the construction agreement with UTA and enter into agreements with participating developers. The construction agreement includes a UTA commitment to fund and conduct ongoing operations and maintenance of the

station once it is constructed, so the execution of these agreements will satisfy the second and third contingencies provided above. The RDA will also continue to work with UTA to finalize the station design and obtain construction bids to confirm the contribution amounts for each developer. The RDA will return to the Board prior to construction to report on the finalized design and construction costs, which will satisfy the final contingency.

PREVIOUS BOARD ACTION:

- In April 2019, the RDA Board appropriated \$639,601 in FY19 Budget Amendment #4 to contribute to the estimated \$2,000,000 cost of constructing a new station at 650 S. Main Street.
- In November 2019, the RDA Board appropriated \$750,000 in FY20 Budget Amendment #1 to cover the developer contributions for projects that would not be finalized when funds are needed for station construction.

ATTACHMENTS: N/A