Minutes of the **Regular Meeting** of the **Board of Directors of the Redevelopment Agency** of Riverdale City held **Tuesday, July 19, 2005,** at 7:45 p.m. at the Riverdale Civic Center.

Members Present:	Bruce Burrows, Chairman Nancy Brough Stan Hadden Stacey Haws David Gibby Shelly Jenkins
Others Present:	Larry Hansen, Executive Director Jan Ukena, City Planner Stevin Brooks, City Attorney Cindi Mansell, City Recorder

Robert Cooper	Rich Wolthius
Rex Palmer	Steve Kier
Scott Kier	Norm Searle

Chairman Burrows called the meeting to order and welcomed all those present.

Consideration of Meeting Minutes

Chairman Burrows stated the Board has before them the Regular Meeting minutes of May 3 and June 7, 2005.

Motion: Mr. Haws moved to approve the minutes as proposed. Mr. Gibby seconded the motion. The motion passed unanimously.

Consideration of Use Approval – proposed Les Schwab at 627 W. Riverdale Road

Mr. Hansen explained the property in question is the former Willey's parcel or parcels; as there was an illegal lot split that took place and was recorded. He stated this area has been going through the bank foreclosure process, which has apparently been recently completed. He stated according to Weber County records, the property is now listed under the ownership of Barnes Banking Company: one parcel is 3.91 acres and the other is .34 acres; or just less than 4.25 acres aggregate.

Mr. Hansen stated although he has not had any conversation with the petitioner this evening, he has had discussions with interested parties who would like to acquire this property. He stated he would say that conceptual and proposals that would be coming forth would most likely involve redevelopment action and improvements resulting from $3,000,000-$5,000,000 on site; and that would need to be weighed against whatever proposal may be presented this evening.

Robert Cooper, local agent for Les Schwab, addressed the Board. He explained there are a number of people negotiating to acquire the property in question. He stated should Les Schwab acquire the site, he is basically on a fact-finding mission to determine what items

would need to be addressed in order to move forward with a possible development. He explained this company has been involved in dialog with Barnes Bank for about three years throughout the foreclosure process. He stated the initial thought is to redress the existing buildings, but would have questions relative to physical attributes and public access.

Mr. Cooper stated he would like to determine the scope of RDA involvement, and believes that the property is within a conditional use zone and would require use approval also. He stated he would like to get an idea as to timeline for development, etc. He discussed the proposed utilization of the existing building in Les Schwab standard trade colors. He stated the future would provide for potential expansion of the service bay area to include a showroom; however, this then brings up issues as to how to address public right-of-ways; access to Riverdale Road, etc.

Mr. Hansen stated UDOT would be a consideration with Riverdale Road; and especially as they proceed with widening. He stated although it is likely they will not take much of the property in question, they typically tend to eliminate as much ingress/egress from Riverdale Road as possible. Mr. Hansen stated when talking about redressing the buildings, and given there is a current assessed value and this is within an RDA area – what kind of dollar value in improvements would be projected to add to the assessed value. He stated this specifically is what Administration would recommend be utilized as one of the principal criteria in considering this request against others with similar interests. He clarified the uses are important considerations.

Mr. Cooper discussed the intention for one building to create immediate sales and the other to be utilized in the future. Mr. Hansen inquired as to what investment is being made immediately in the project and the resulting additional increased value; relative to synergy with surrounding improvements. He explained with a major renovation from the ground up, it is a higher likelihood that other dilapidated buildings may engage themselves in a similar approach to redevelopment or face lift.

Mrs. Jenkins inquired as to the standard Les Schwab building, and whether the company ever utilizes a different development style. Mr. Cooper stated the standard color is red and white. He stated there can be variation relative to brick accent, building elevation, etc. Mrs. Jenkins inquired as to the collapsing time on this particular RDA area. Mr. Hansen explained this is a 25-year plan; and about halfway into the existing time frame.

Mr. Cooper inquired as to flood plain issues associated with the area. Mrs. Ukena explained although the existing building is located in a previous flood zone, that area was brought up and the problem has been delineated. She stated FEMA is in the process of redoing the flood plain maps, and this area should no longer be within a flood area.

Mr. Hansen encouraged the Board to consider uses, potential enhancement, and how this plays into the overall makeup of the community to enhance or renew the area. He stated if there is not a significant change, status quo then becomes acceptable. He discussed the overall idea of redevelopment as being to take areas that are older and dilapidated and

promoting incentive to make them look better and renew the direction in which they are headed. Mr. Hansen stated all proposals should be approached as a consideration.

Mr. Cooper stated this has nothing to do with bank negotiations, as he is merely trying to get a read as to expectations for the project; and it would appear the bar is currently set quite high.

Senior Housing Facility

Mr. Hansen stated he did not have time to make copies of this particular pay request; however, he would like to review it and determine RDA Board approval. He explained payment in the amount of $150,513.12 is requested for work to date; and appears proper. He stated there still remains a balance after this payment of $254,205.23 (subject to change). Mr. Hansen stated staff would recommend RDA approval of the payment request in the amount as requested; recognizing that there would be opportunity should the need to reconcile detailed discrepancies later or adjust the balance to be paid.

Motion: Mr. Gibby moved to approve the proposed request for payment to Kier Corporation in the amount of $150,513.12 as requested. Seconded by Mr. Hadden.

Roll Call Vote: Mrs. Brough, Yes: Mr. Gibby, Yes; Mr. Haws, Yes; Mrs. Jenkins, Yes; and Mr. Hadden, Yes. The motion passed unanimously.

Mr. Haws inquired as to the previous request for payment, and the computation error on retainage that was raised and supposed to be amended on the next payment request. Mr. Wolthius, Senior Center Project Coordinator, explained he had made the correction on this pay request.

Payment of Proposed Change Order (PCO) #40009

Chair Burrows welcomed all representatives from Kier and Chong present, stating staff appreciates attempts to smooth out some of the remaining project issues.

Mr. Hansen distributed copies of the Executive Summary in regards to Change Order #40009; consisting of multiple proposed change orders; and resulting in a total additional cost of $68,937.90. He further distributed a copy of the Fund Balance Allocation Report as of May 31, 2005; stating the statement as of June 30, 2005 has not yet been completed. He stated this last month fund balance allocation report is merely for information and reference.

Mr. Hansen referenced the balance ($158,196.40) as considered a working margin which would deal with this change order and any subsequent orders thereafter. He stated he respects the fact the contractor has moved forward with completion of many of the items remaining to be addressed. He stated he is concerned there are many expenses incurred beyond the original approval; however, there are design issues that did result in either failure of the design work or that were missed during the design process.

Mr. Hansen explained the RDA entered into contract with both the contractor and the architect after the two had come together as a team in response to the Request for Proposal (RFP). He stated technically and legally, the RDA has entered into separate contracts with each of them to complete their respective work. He expressed concern that in hindsight, that may not have been a wise course of action; and if not legally, the question could be raised as to whether there is a mutually shared moral or ethical burden.

Mr. Hansen stated although there are legal questions as to whether this reduces the chances for retribution at a later date, he feels the RDA should take the opportunity at this time to make payment of the remaining balance. He stated he does not want to get into argument over particular line items or even to resolve the fact the three parties must come to agreement on each of those line items; however, would still like to proceed with review of some items that have been prepared. He stated he feels this will provide opportunity to clarify particular items as listed.

Mr. Hansen stated staff would recommend approval of the payment on the Change Order in the amount of $68,937.90 under protest to expedite the project. He stated pursuit of future resolution can then be undertaken as appropriate. Mr. Hansen stated alternative options would be to amend the Chong order and pay the amended amount and resolve other issues in the future; or reject payment and postpone without coming to conclusion here this evening. He stated he feels the three parties have a good working relationship, and have attempted to handle the project in a professional manner. He stressed the need to move forward; and stated he would suggest addressing various line items in question with the representatives present to be able to provide for discussion. He clarified it is not necessary to argue about who is responsible at this time; and the purpose is discussion only.

Review of the individual proposed change orders followed. Inquiry was raised as to PCO #9, the provision of a larger cooling unit; and resulting cost increase of $2544. Dan Lundgren, Richard Chong Architects, explained this item was based on a catalog product that was inaccurate. He stated when it was time to order, it was discovered there had to be a larger unit that what was originally ordered because the manufacturer catalog was incorrect. He stated the smaller unit simply would not have functioned properly with the larger air handling units.

Inquiry was raised as to PCO #10 in regards to the addition and relocation of doors. Mr. Hansen stated this is in regards to review of the design of the facility and layout concerns. He stated particularly when renting the facility out for public use, concern was raised in regards to the open access to the second floor area from the north end of the building. He stated a locking door was then requested. Mr. Lundgren referenced the charge of $390 for construction of a new wall at the stair to prevent open access; stating Chong would accept responsibility and remit payment to Kier in this amount.

Discussion followed regarding PCO #14, change in architectural hardware and door hardware change. Mr. Wolthius explained during the submittal process as the hardware distributor vendor was preparing the hardware schedule, he noted certain elements of the schedule were incompatible with each other and did not satisfy the intended function of the

door. He stated hardware is probably one of the most complicated parts of the construction business; and it is not uncommon for people that are in the field of the practical application of hardware to be more aware of incompatibilities than an actual hardware consultant. He stated ultimately, this was raised by request for information from the vendor; forwarded to the architect and hardware consultant. He stated the response back was that solutions as recommended by the vendor were in the best interest of the project and as a result, the project moved ahead in this manner.

Discussion followed regarding PCO #32, contract documents not allowing adequate space in wall to accommodate all the electrical wiring and gas line distribution required. Mr. Wolthius explained the north wall of the kitchen was too shallow to accommodate utilities and wiring which would have been designed into the facility anyhow.

Discussion followed regarding PCO #18, design solution to support mechanical penthouse above stairwell. Mr. Hansen stated this PCO goes with PCO #21. Rex Palmer, Project Superintendent, explained this involves the stair to roof girder truss and the stair to roof beam hangar; and houses the mechanical stairwell that goes all the way to the roof area. He stated it became necessary to beef up the truss to carry the weight of the wall which carried the stairway going to the roof. He explained the hangar was a special item which was accommodated and bolted to the truss to carry the weight load of the wall. Jim Kier explained this was a result of modified structural design that was provided when this was drawn to attention by the structural engineer. Inquiry was raised as to the design and how this could be overlooked. It was stated that both case dealt with structural integrity.

Mr. Hansen referenced PCO #19, involving kitchen hood headers in the north end of the building commercial kitchen area.

Mr. Hansen referenced PCO #29, lock changes. He explained J&R Mill did the millwork for the cabinetry in the Senior portion as opposed to the apartments. He stated they had real concerns about not being engaged in the design input process. Mr. Wolthius stated they had responded to design and construction documents. He explained the reception lobby area was fully designed with a cabinet and some shelving behind; however, when the shop drawings were close to final Mrs. Hall realized this did not meet the needs in terms of access, ergonomics, etc.

Mr. Wolthius stated he got with Mrs. Hall and together they developed the reception counter that now exists. He stated these changes were also done bearing in mind the changes being made to the lobby with the tile and oak base. He stated these are different than what originally was shown on the document.

Mr. Haws stated the numbers on the PCO detail add up differently than the numbers on the summary. Mr. Wolthius explained some numbers are commingled with previous change orders; including the lapidary room and additional millwork that Mrs. Hall had requested for the upstairs laundry room change to a health services room as shelving being added to the downstairs laundry. He stated some shelving was brought over from the Community Center, however, changes were necessary in the layout of the casework. Mr. Wolthius explained the

original quote included all issues as a single cost, and now they are broken out to allow for simplicity of explanation.

Mr. Lundgren added the locks for the cabinets on the doors and drawers were included in the specifications and the original bid. He stated the locks should not be a part of this PCO. Mr. Wolthius offered clarification that this does include credit back and the cost proposal has been reconciled accordingly. He stated the cost remains the same because it does reflect the credit.

Mr. Hansen addressed PCO #35, ridge roof vents. Mr. Wolthius explained during the engineering process, there were some decorative vents on the exterior of the building (architectural louvers). He stated replacement was recommended with a ridge-type vent; resulting in considerable savings of $12,000 associated with a simplified venting system. He explained this was a value-engineering recommendation.

Mr. Wolthius stated it was then learned that the free area available did not meet the requirement of the structural engineer to adequately ventilate the attic space to provide for air exchange, etc. He stated the alternative was then to oversize the ridge vent and thus the cost increased with the size increase.

Mr. Hansen addressed PCO #40, addition of tele-entry to south door. He stated what was thought to be getting and what was received were actually different. He stated the desired tele-entry system is now in place; and in his opinion, is an integral part of access. He stated he feels this error resulted from failure in design input or communication.

Mr. Wolthius explained when the hardware vendor contacted the City to determine keying wishes, it was discovered at that time by Chris Stone that this did not meet the expectation of Riverdale City. He stated at that point, the architect, hardware vendor, Kier, and City were convened to attempt to modify the system that had already been installed; and to attempt to understand the wishes of the City. He stated a document was generated and circulated to subcontractors and material suppliers affected by changes; resulting in this large change order.

Mr. Wolthius stated one element the City did generate was the change in the swing of the double doors on exiting the lounge and residential corridor on the second floor. He stated the City desired them to both open out instead of one in/one out. Mr. Hansen expressed concern that he had thought this change to be associated in some manner with the panic change; or that some issue had precipitated this change. Discussion followed relative to door #220 in the amount of $1045 and the potential need to change the location within PCO's. The question as to hardware costs and architect responsibility was raised.

Mr. Hansen addressed PCO #50. Mr. Lundgren addressed the pre-cast simulated stone cap on the radius wall which was originally designed as a metal cap on a cinderblock wall. He stated this would have resulted in different pieces on the wall; and the better system of cast stone was suggested. He stated this design was so much better and was a much more permanent solution in terms of maintenance, care, etc. Mr. Hansen stated the City did

request the masonry finish block cap; and the question at this point is should there have been some credit in the contract amount. Mr. Lundgren stated he feels the credit to be included, as this originally involved a flat stone piece that goes over fences and credit would have been given for that. He stated this solution came about in value-engineering; and is included in addendum #5.

Mr. Hansen referenced PCO #52, flooring changes. He stated the owner requested wood floor in the dining room and tile in the lobby and is in agreement with this change.

Mr. Hansen referenced PCO #69, door modification at main entry and break shapes at east radius storefront base for electrician. Mr. Palmer explained this modification has to do with base heaters. He stated in order to accommodate the wiring for the base heaters, the base of the radius on the storefront windows had to be expanded. He stated if this were not done, there would have been a surface mount conduit and it would not have been attractive. Mr. Palmer stated the heaters were on the electrical plan, yet the plan did not show any way to get the wires in there until after the fact.

Inquiry was raised as to PCO #72, drain at coffee maker sink. Mr. Palmer explained this originally dumped into a floor drain. He stated a modification was made to take it through the wall into another drain and then to drain into the kitchen area rather than inside the multi-purpose room. He stated this came about when the change to wood flooring was made; as this required the need to change the direction in which the coffee maker drained. Mr. Hansen stated he would question as to whether this is a plumbing design issue. Mr. Palmer explained the sink was in the design, but dumping through the cabinet would not have worked. He stated instead, it was plumbed and drained as it normally would have been instead of the floor sink; which was eliminated from the floor.

Mr. Hansen referenced PCO #75, moving of smoke detectors to make them beyond 4ft. from air supply. Mr. Wolthius explained the structure was originally designed and placed according to the electrical and mechanical drawings; resulting in conflict in ductwork and structural framing. He stated as a result, the location of the ductwork had to be modified. He stated this was done after the smoke detectors had been installed by the contractor; and the location was not considered when the louver locations were shown on the new mechanical design for discharge within the residential spaces. He stated there was a resulting cost to move these to the required 4 ft. from the point of discharge on the mechanical system.

Discussion followed regarding the potential for closet storage on the patio space or balcony, with Mr. Hansen stating this was never designed for storage. He stated this location is to provide for the furnace equipment; and he would apologize for the invalid perception.

Discussion followed regarding PCO #77, value engineer landscape. Mr. Hansen stated some of the proposed tree species do not have a good survival rate this much further from Salt Lake City temperatures; and recommendations include the possibility of simplifying landscaped areas in terms of maintenance and cost. Mr. Hansen stated this is a logical place to save money and includes more than enough landscaping.

Mr. Hansen addressed PCO #78, waterproofing at east side radius wall. Mr. Wolthius explained when it was realized that backfill would be done against the grade of block; concern was raised that any moisture that migrated through that block would have presented a deterioration in the face of the concrete masonry that would show up on the inside as a stain or deterioration. He stated a simple fix was to waterproof the area.

Mr. Wolthius referenced PCO #79, change front radius eyebrow fascia. He referenced two architectural elements that are part of the radius glass on the outside of the multipurpose room. He stated one is a lower colored band; the other russet synthetic stucco. He stated it was felt a better solution would be to carry that same material and that same texture in the same geometry from lower to upper (although in different color) in effort to create balance. He stated this was a decision that was made in the field when problems were contemplated regarding prefinished aluminum; and determination was made to proceed with synthetic.

Reference to PCO #80, additional VCT and vinyl base in rooms #255 and #253, was given. Mr. Wolthius explained these are in the rooms adjacent to the electrical room and generator closet. He explained the second floor product creates a hard but lightweight surface; but not so hard as not to subject to foot traffic wear. He stated over time, this surface would wear and have a problem with dusting; and the product is so porous that is hard to seal. Mr. Wolthius stated all rooms or corridors have either vinyl flooring, VCT, ceramic tile or carpeting. He stated this appears to be the most inexpensive solution to the problem.

Mr. Hansen references the PCO's summaries on Change Order #9. He stated with regard to this Change Order as far as options and alternatives, there are issues that will need resolution in the future. He stated on the other hand, the work is done and completed and the contractor is taking the high road in dealing with the situation.

Mrs. Jenkins inquired as to the outstanding amount that remains disputable. Mr. Hansen referenced a detailed listing, indicating there are still some change orders that have not been dealt with or brought forward. Chair Burrows stated Mr. Brooks has indicated the City is not jeopardizing or compromising future ability to dispute in any way by making payment at this time. He discussed the need to move forward according to Mr. Hansen's recommendation.

Mrs. Jenkins inquired as to the original bid and the "not to exceed" amount, stating there were some dollar figures that referenced marginal error issues. Steve Kier stated a contractor will always work a contingency figure into hard construction costs, but that number is already rolled into the contract. He stated the contractor is not allowed to exceed that figure when performing that contract in accordance to contract items. He stated he is accustomed to seeing change orders range from 2%-7% of total costs; and feels this group of change orders to be minor in that respect. He stated these are simply a fact of construction. Mr. Kier summarized these changes are all for Riverdale City benefit and have improved that building; and are not an unusual event by any means.

Mr. Gibby stated it is difficult to always anticipate every potential problem when entering into a major project like this. He stated he feels it fairly responsible on the builder's part to recognize potential problems and eliminate them during the construction phase. He stated there is always blame to be had; but for the most part, it would appear most of the change orders are responsible improvements.

Mrs. Jenkins stated in considering the breakdown of items and columns, she would agree to the need to pursue those issues where the City Engineer has made comments. She stated regardless of knowing that there is some margin for error, she still would not feel comfortable with at least these areas on which the engineer has made comments.

Motion: Mr. Gibby moved to approve Change Order #40009, for a total additional cost of $68,937.90; and that any resolution that may occur can be determined at a later date. Seconded by Mr. Hadden.

Roll Call Vote: Mr. Gibby, Yes: Mr. Haws, Yes; Mrs. Jenkins, Yes; Mr. Hadden, Yes; and Mrs. Brough, Yes. The motion passed unanimously.

Payment of PCO #71

Mr. Hansen distributed proposed Change Order #71; including pictures illustrative of the south end of the parking lot. He referenced the boats at Peterson Marine visible through the chain link fence; including vegetation that has damaged the fence. He referenced Municipal Code, 10-8-89, damage to abutting property – liability of City. Mr. Hansen stated Mr. Peterson has concerns regarding the resulting difference in elevation. Inquiry was raised as to whether this property owner would be responsible for sharing in the costs of new fencing, with Mr. Hansen stating he feels this party to be unwilling.

Mrs. Brough stated she feels it crucial for this area to look good as well as protect it from the unsightly adjacent lot. Mr. Hansen stated he has had discussions with Mr. Peterson about the fence line, and he is in agreement with the design concept to construct a new fence on the south property line. He stated this change order would result in an additional cost of $27,506.96.

Inquiry was raised as to costs to construct a nice block wall instead, with Mr. Wolthius providing a rough estimate of $40,000. Discussion followed on the plantings proposed from the back of the curb to the wall, with Mr. Hansen stating these include trees and ground cover. Inquiry was raised as to costs compared to now or later, with Mr. Hansen stating this is critical with regards to the landscaping on sight and the need for the landscaper to complete the irrigation system along that side. He stated it would damage the landscaping if the block wall or fencing were installed in the future. He stated this can be left as is and the developer can take the area down to as low of grade possible and hope for no resulting impacts to Peterson Marine.

Mrs. Jenkins discussed the necessity to be good neighbors to Peterson Marine, stating it would be short-sighted to start off on a bad foot with them. Mr. Gibby stated he would personally prefer a fence that is decent and that looks like the rest of the project. Mr.

Hansen stated he would love to see a nice block wall and landscaping, feeling it would look better in the long run and result in less maintenance.

Mr. Wolthius stated he could obtain a cost comparison estimate, possibly by next week. He stated this should not detain the project, as he will have to wait either way to construct a fence. Discussion followed regarding the plans that call for the area to be irrigated and planted with shrubs; if the existing fence is to remain. Mr. Wolthius explained removal of the larger stumps is now complete. He stated the stumps that are left have grown into the fence, and to remove them will require demolition of that portion of the fence. He stated the contract also specified killing of the vegetation based on recommendations of the landscape architect. Mr. Wolthius stated the use of Round-Up has proven unsuccessful to this point.

Mr. Hadden stated a concrete slab would take care of the dirt problem and be a cheap solution. Mr. Gibby stated that would create an ugly appearance, but could be considered an option. Inquiry was raised as to runoff amounts, with Mr. Wolthius stating if this area were graded down carefully he does not feel there would be much. Discussion followed, with the need to schedule a special RDA meeting on August 2, 2005 being suggested to allow for further consideration of this item. ***The RDA Board appeared to have consensus to the scheduling of a meeting as proposed.***

Discreationary – RDA Budget & Legislative Audit

Mr. Hansen stated the State Auditor has responded to Riverdale in regards to the FY2006 budget as recently adopted. He stated they have indicated the budget is in substantial compliance.

Mr. Hansen stated he did receive a telephone call from one of the legislative auditors who are looking at the direction of the Task Force Committee in regards to RDA and sales tax considerations. He stated preliminary conversation took place concerning the Agency, project areas, and recent experience involving the Taxing Entity Committee. He stated it would appear that Riverdale is under the microscope in both RDA and sales tax areas. He stated in regards to sales tax, these issues are surfacing now and may even include phase-out of the hold harmless provision. Mr. Hansen stated Riverdale may well want to prepare for some type of change in the near future.

With no other business to come before the Board at this time Mr. Haws moved to adjourn the meeting. Seconded by Mr. Gibby. The motion passed unanimously. The meeting adjourned at approximately 10:11 p.m.

Attest: Approved: August 2, 2005

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Larry Hansen
Executive Director

Bruce Burrows
Chairman