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Minutes of the **Meeting of the Board of Directors of the Redevelopment Agency of Riverdale City** held Tuesday, **March 18, 2008** at 7:46 p.m. at the Riverdale Civic Center, 4600 South Weber River Drive.

Members Present: Bruce Burrows, Chairman  
Shelly Jenkins  
Doug Peterson  
Gary Griffiths  
Don Hunt

Excused: David Gibby

Others Present: Larry Hansen, Executive Director; Steve Brooks, City Attorney; Randy Daily, Community Development Director; Marilyn Hansen, City Recorder and 5 citizens.

## **A. Welcome and Roll Call**

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

## **B. Open Communications**

None

## **C. Consent Items**

**1. Approval of meeting minutes from the February 19, 2008 Regular meeting.**

**2. Report on Condition of the Treasury for the months ending February 29, 2008.**

Larry Hansen discussed the report.

**Motion:** Mr. Peterson moved to approve the consent items. Ms. Jenkins seconded the motion.

## **Call the Question**

The motion passed unanimously.

## **D. Action Items**

**1. Consideration of Use Approval for a Fitness Center and Deli at the Hayward Business Park located at 1500 West 5715 South – West Bench Project Area.**

Randy Daily reported that the RDA previously gave a use approval for office space at the Hayward Business Park and that Mr. Hayward has now requested to put in a fitness center and deli. Brant Hayward reported that these businesses would compliment the professional office space in his project. He stated that the fitness center would be accessible 24 hours a day and that there is 60,000 square feet of office space with no place to eat. He stated that he may be looking at a salon in the project as well. He reported that the primary use of the business park would still be professional office space.

Councilor Hunt inquired as to the building sizes and the sizes of the deli and fitness center. Mr. Hayward replied that the fitness center would be 2,500 square feet and the deli is 1,250 to 1,500 square feet. The building that would house these businesses is 5,800 square feet and that the two businesses would take up 75% of the building. Councilor Jenkins inquired if there would be adequate parking if these two businesses were allowed. Mr. Daily replied that the parking would have to be evaluated depending on what type of businesses are approved. Councilor Jenkins discussed her concerns of not impacting the residential neighborhood that is adjacent to this project with noise and traffic. Mr. Hayward stated that he feels there is enough parking. Ms. Jenkins stated that she does like the idea of a beauty salon in the project and would like information on the 24 hour fitness center and if there have been issues in the other communities with similar facilities. Mr. Hayward stated that there are 24 hour type fitness facilities in Syracuse and Ogden and that he hasn't heard of any security issues. Councilor Griffiths reported that he has dealt with 24 hour businesses close to a residential district and received noise complaints with people slamming their car doors. Mr. Brant stated that the residential area is away from where this is and doesn't foresee a lot of noise.

**Motion:** Ms. Jenkins moved to permit these uses upon further investigation from staff regarding parking, police issues as far as the 24 hour fitness center, and traffic circulation. Mr. Griffiths seconded the motion.

### **Call the Question**

The motion passed unanimously.

## **2. Discussion of letter from Consultant on RDA Housing Relocation options.**

Larry Hansen reported that in January he reported that he had a conversation with RDA consultant Jonnalynne Walker, concerning housing relocation possibilities for the 550 West housing area and that he received a letter dated February 19, 2008 concerning this issue. He explained that Ms. Walker's letter states that in her opinion, the RDA has the ability to allocate housing funds from the 550 West Project Area for the purpose of assisting homeowners residing within the project area to relocate in accordance with the objectives of the Project Area Plan.

Mr. Hansen reported that there are seven or eight single family homes that are contiguous to a development that has been in process for a PRUD. He stated that it would be his objective to use the relocation assistance to help the home owners, in the form of purchase assistance, to help them make a move and take a second position on the new home loan. He explained that the loan would probably be a due in full second mortgage type of loan at a low or zero interest rate.

Ms. Jenkins stated it appears that the assistance can be given for home purchases outside of Riverdale. Mr. Hansen replied that was true and this would enable the RDA Board to accomplish the plan objectives and help these residents relocate. Ms. Jenkins inquired if the funds have to come from the 550 West Project Area. Mr. Hansen replied those funds can be used for relocation but has to be accounted for separately from the other housing loan program. Mr. Hansen reported that he will prepare a draft policy and provide some projections.

## **3. Consideration of Housing Relocation Assistance for 550 West Project Area.**

Larry Hansen reported that he and Randy Daily met with Mr. Murdock last week where he requested relocation assistance from the RDA for the few remaining single family homes in his project area. Mr. Hansen told Mr. Murdock that he would need to enter into agreements with the homeowners to purchase the homes and that the RDA policy would need to change. He reported that currently there aren't housing funds available in the 550 West Project Area, but there will be in November, when the tax increment begins to come in.

Dave Murdock stated that he came in a couple of months ago for preliminary approval of the PRUD plat and since that time he has been working with engineers and discovered that there are some serious water problems with this project and they are designing a land drain and retaining walls. He explained that also during this time, they have made an effort to contact the adjoining property owners to buy the homes and expand the project. He reported that they have been successful in getting a couple of the properties under contract and have made an offer on another one. He stated that he would like to purchase all of those properties, but with the additional unexpected expenses, he is before the RDA tonight to solicit their help and support and receive any financial assistance they could give.

Ms. Jenkins inquired if Mr. Murdock was asking for help to assemble the parcels with subsidies or is he soliciting the RDA for additional funds. Mr. Murdock replied that in the beginning there was some resistance from some of the homeowners and that about 2 months ago he was approached by a homeowner who asked him to purchase their home ASAP. He reported that his bank has given him the loan but that some conditions need to be met and he is looking for the ability to purchase these properties when they become available. He stated that he needs funds quickly. Ms. Jenkins inquired if the purchase of these homes will allow him to expand the size of his project. Mr. Murdock replied that it would allow him to expand the size of the project and allow him to do the land drain and retaining walls. Mr. Hunt inquired if there are no funds available until November 2008, could the funds from another project area's housing funds be used. Mr. Hansen replied that the difficulty of using another project area's funds is that when Ms. Walker did the calculations on the 550 West Project Area the Boyer Company fronted money to purchase the Sound Warehouse property and the improvements to the road. He explained that the RDA's agreement with Boyer is to use all other available increment, aside from housing and administration, to reimburse them until all that money is repaid, so there is no increment available for Mr. Murdock's request until November. Chairman Burrows stated that because there aren't funds currently available, would the Board consider some kind of financing arrangements for repayment in the future if the money was fronted or does the Board have a desire to participate in relocation assistance should some type of creative financing come available. He stated that the Board would need to see something to reassure them that Mr. Murdock has financial backing. Mr. Murdock stated that he received a letter today from the Overland Group, Inc., outlining that they are prepared to enter into a joint venture agreement with Mr. Murdock's company to secure financing and provide the financial resources to complete the development of the project. Chairman Burrows expressed concern that the financial climate is changing daily in this market. Mr. Murdock replied that condos will continue to be strong and this is an excellent location. He stated that he has looked at expanding this project and has indications from property owners below the project that they would be supportive of commercial development in conjunction with the condominium project. He discussed a letter that he received from Mr. Huang, a property owner on Riverdale Road, supporting the commercial development. Ms. Jenkins stated that the RDA is looking to give relocation help and not financial assistance for Mr. Murdock to acquire housing. Mr. Murdock stated that the acquisition of these homes would provide an economic benefit of having the additional land, but that what

they are doing is not conditioned upon getting those homes. He explained that it may affect Overland's final position if he can't get the homes.

Mr. Hansen explained that while the RDA Board would support the assembling of parcels and redevelopment of a larger contiguous area, the Agency is not in the position to do this. He reported that it would be his recommendation to develop some kind of draft policy to provide relocation assistance to the residents directly in the form of a loan instead of a grant. Chairman Burrows inquired if there a way to front the money if Mr. Murdock were able to show the financial ability to do this project. Mr. Hansen replied that they could negotiate something on a prospective basis, with the developer fronting the money, providing the RDA is helping him relocate the residents. Mr. Murdock stated that if there was an agreement that they would get reimbursed, that would work. Mr. Hansen stated that they could negotiate on a prospective basis but it would be paid over a period of time. He indicated that he would be hesitant to enter into this type of agreement if Mr. Murdock cannot obtain all the properties. Ms. Jenkins asked what the size of the project would be if he acquired the additional homes. Mr. Murdock replied that he would add some amenities like a club house and increase the number of units to about 90 units. **Chairman Burrows asked for consensus, if all the issues can be worked out on finances so that Mr. Murdock could proceed, and if Mr. Hansen and Mr. Murdock can sit down to find a way that would work to accommodate that scenario and Mr. Murdock would front the money, to have it brought back to the Board in the context of this discussion to entertain the reimbursement at some future point. Consensus was reached.**

Mr. Hansen reported that if a draft agreement is reached, it would need to be contingent upon the removal of all of these homes. Mr. Murdock stated that that will be more achievable with the help of the RDA, but getting some of the homes will be difficult. Chairman Burrows stated that he feels that would be best for the long term best interest of this project. **Chairman Burrows asked for clarification of the consensus to include that Mr. Murdock would need to be able to purchase all properties involved. Consensus was reached.**

#### **4. Consideration of RDA loan waiver.**

Larry Hansen stated that he received a loan request from a borrower that they have worked with over the last eight years. He reported that the new work is essential and that there is plenty of equity in the home to cover the loan request. He indicated that the loan is a zero interest, due in full loan. He is requesting raising the ceiling from \$20,000 to \$30,000 for this applicant.

Mr. Peterson stated that it makes him wonder why there is a ceiling on these loans, when it could be based on a percentage of the equity. Mr. Hansen replied that when the program was implemented they had very few funds to work with and established a low ceiling. He reported that there is now \$1.6 million dollars in available funds and feels that they could look at more flexibility going forward.

**Motion:** Mr. Peterson moved to approve the loan waiver. Ms. Jenkins seconded the motion.

#### **Call the Question**

The motion passed unanimously.

Ms. Jenkins stated that given the fact these RDA housing funds are more lucrative now she would like to look at some ideas to see what they are doing to revitalize the community. Mr. Hansen stated that they use the money for rehabilitation purposes could look into purchase assistance in select neighborhoods. **Chairman Burrows asked for consensus to look into making changes to the policy. Consensus was reached.**

**E. Discretionary items**

None

**F. Adjournment**

With no further business to come before the Board at this time, Mr. Peterson moved to adjourn the meeting. Mr. Griffiths seconded the motion. The motion passed unanimously. The meeting adjourned at approximately 9:10 p.m.

Attest:

Approved: April 15, 2008

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Larry Hansen, Executive Director

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Bruce Burrows, Chairman