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Minutes of the **Meeting of the Board of Directors of the Redevelopment Agency of Riverdale City** held Tuesday, **June 7, 2011** at 8 05 p.m. at the Riverdale Civic Center, 4600 South Weber River Drive.

Members Present: Bruce Burrows, Chairman  
Don Hunt  
Norm Searle  
David Gibby  
Shelly Jenkins  
Alan Arnold,

Others Present: Larry Hansen, Executive Director, Steve Brooks, City Attorney, Ember Herrick, City Recorder and one member of the public.

**A. Welcome and Roll Call**

Chairman Bruce Burrows called the meeting to order and welcomed all those present. He noted that all Board Members were present.

**B. Open Communications**

None.

**C. Consent Items**

**1. Consideration of approval of meeting minutes from May 17, 2011 RDA meeting.**

Chairman Burrows asked the Board if they had any corrections to the meeting minutes, none were noted.

**Motion:** Mr. Gibby moved to approve the consent items. Mr. Arnold seconded the motion. There was no discussion on the motion.

**Call the Question:**

The motion passed unanimously.

**D. Reports and Presentations**

None.

**E. Action Items**

**1. Consideration of use request by James Bernard for Riverdale Road Project Area specifically the vacant Macys building located at 1134 W. Riverdale Road.**

Executive Director Larry Hansen informed the Board that the Community Development Director Randy Daily had received a request from petitioners with the Castle of Chaos LLC for a temporary use permit to rent the vacant Macys building at the Family Center off Riverdale Road.

Presenter Sean Murray of The Castle of Chaos, LLC told the Board that they have been renting a building from developer DDRC in Taylorsville at 3300 South and Redwood Road for the past two years and are now interested in expanding to Riverdale. According to Mr. Murray they have an agreement to temporarily lease the old Macys building from DDRC until a permanent tenant can be secured. He said it was his understanding from DDRC that a permanent tenant could take over the lease this November and so his company was petitioning for approval of a temporary use permit to run a haunted house out of the building until that time.

Mrs. Jenkins asked about a similar petition to lease another city building in years past and Mr. Murray said approximately two years ago his company had been interested in leasing the old Toys R Us building and had approached the board for a temporary use permit at that time. According to Mr. Murray the Toys R Us building needed too much work to bring it up to fire code standards and so his company had decided to locate to Taylorsville instead. Mr. Hunt asked about fire code requirements at this new location and Mr. Murray said there is a full fire system already in place in the Macys building. Mrs. Jenkins asked if the petitioner would consider running their business out of the Toys R Us building now and Mr. Hansen said the property is now owned by In-N-Out Burger and is no longer available.

Mr. Hansen pointed out to the petitioner that the Macys building interior and finishing is high scale with marble floors and he asked about possible damages to the property with the construction of temporary walls for the haunted house. Mr. Murray said his company would anchor the temporary walls by drilling small holes in the floor which they would fill in before vacating the property. He said that any construction would first be approved by the lease holder. Chairman Burrows said he is concerned that a haunted house in the building won't enhance the structure or make it more attractive to a permanent tenant, which is the role of the RDA. Mr. Murray pointed out that DDRC has many empty buildings around the city due to the recession and said that they seem eager to enter into this seasonal lease with his company until a permanent tenant can be found. He added that they have been in business for over eleven years and have met and exceeded DDRC's expectations in connection with the property they rent from them in Taylorsville.

Mr. Searle said Mr. Murray's company seems reputable and he can see the value in the business that a haunted house would bring to the city. He expressed concern that the building may not be suitable for this use and that he would hate to see it used only seasonally or made less attractive to a long-term permanent tenant. Mr. Arnold said allowing a haunted house in the building will temporarily help the economy and pointed out that a permanent tenant will remodel the building to suit their needs, which should be a concern for the property owner DDRC and not the RDA. Mrs. Jenkins said the RDA has a stake in this property and in her opinion the overall value of the building would be decreased by leasing it for use as a seasonal haunted house. According to Mr. Murray, DDRC has another tenant looking to move into the building in November and all he is asking the board to do is to consider granting his company's temporary use request between now and November. Mr. Hansen said DDRC hasn't communicated to the city that they are in talks with a serious long-term tenant interested in the property. He said if this is the case and the new tenants don't have a problem with the temporary use the board would be more inclined to approve the petitioner's request.

Mr. Arnold asked if there is any evidence that leasing a building as a haunted house would lower the value of the property. He said that in the absence of such information he believes it is unfair to the petitioner to speculate that they will decrease the marketability of the building. Chairman Burrows said the role of the RDA is to improve the value of properties. Mr. Arnold

said a haunted house is better than a vacant building and added that if the property owner and Mr. Murray want to do business with each other he doesn't believe the RDA should stand in their way. Mr. Murray said his company runs one of the best haunted houses in Utah and is actively involved in donating to charities like the food bank to help improve the community.

Mrs. Jenkins said she is concerned about setting a precedence if the board grants this request so that DDRC could rent out their property seasonally to different tenants which could cause wear and tear on the building. Mr. Murray said part of their lease with DDRC states that his company would be the only seasonal tenant until a permanent tenant is found. Mr. Hansen said he would like to speak with someone at DDRC to confirm that they are in serious negotiations with a permanent tenant. He said he is concerned if the pressure is taken off DDRC because they are getting rent from a seasonal lease they may not be motivated to find a long-term tenant for the building. Mr. Hunt asked if there were protections built into the lease agreement in the event the building is damaged and Mr. Murray confirmed his company is insured to protect against property damage. Mr. Hunt said he supports approval of the petitioner's request and Mr. Gibby said he would also support the use if Mr. Hansen learns from DDRC that there is a permanent tenant interested in the building and they don't have a problem with the temporary use.

Mr. Hansen said the board could deny the request, approve the request, or approve it conditionally subject to confirmation that DDRC finds a permanent tenant by the end of the year.

**Motion:** Mr. Hunt moved to approve the petitioner's request for the 2011 season. Mr. Arnold seconded the motion. There was no discussion on the motion.

**Roll Call Vote:** Mr. Gibby, Nay; Mrs. Jenkins, Nay; Mr. Hunt, Aye; Mr. Searle, Nay; Mr. Arnold, Aye. The motion failed with two in favor and three opposed. .

**Motion:** Mr. Gibby moved to approve the petitioner's request conditionally upon confirmation that DDRC is in real negotiations and the likelihood of permanent tenant is eminent. Mr. Searle seconded the motion.

Chairman Burrows asked for any discussion on the motion and Mr. Arnold asked that the board stipulate a timeline so that the petitioner would know when they could expect an answer to their request. Mr. Hansen said he would contact DDRC and the board should have an answer for the petitioners by the next meeting in two weeks on June 21, 2011. Mr. Searle said he would like the petitioner to find another building in Riverdale if this one doesn't work out, preferably a permanent location for their business so that they don't have to relocate every year.

**Call the Question:**

The motion passed unanimously.

**2. a. Public hearing to receive and consider public comment regarding proposed amendments to the FY 2010-2011 budget.**

**b. Consideration of proposed amendments to the FY 2010-2011 budget.**

Chairman Burrows opened the public hearing, there were no comments received from the public. Mr. Hansen informed the board that the four amendments listed for the 2010-2011

budget were statutory balancing amendments only and did not change the bottom line of the approved budget. There were no questions or comments from the board.

**Motion:** Mr. Gibby moved to close the public hearing. Mr. Arnold seconded the motion. There was no discussion on the motion.

**Call the Question:**

The motion passed unanimously.

3. a. **Public hearing to receive and consider public comment regarding proposed amendments to FY 2011-2012 budget for all funds.**
- b. **Consideration of proposed amendments to FY 2011-2012 budget for all funds.**

Chairman Burrows opened the public hearing, there were no comments received from the public. Mr. Hansen pointed out to the board that for the 2011-12 budget amendment item 4 allowing for a \$350,000 increase would provide the necessary funds to construct the roundabout discussed at the strategic planning meeting in May. There were no questions or comments from the board.

**Motion:** Mr. Gibby moved to close the public hearing. Mr. Arnold seconded the motion. There was no discussion on the motion.

**Call the Question:**

The motion passed unanimously.

**F. Discretionary items**

Chairman Burrows asked the Board for any discretionary items and there were none.

**G. Adjournment**

With no further business to come before the Board at this time, Mr. Gibby moved to adjourn the meeting. Mrs. Jenkins seconded the motion. The motion passed unanimously. The meeting adjourned at approximately 8:50 p.m.

Approved: June 21, 2011

Attest:

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Bruce Burrows, Chairman

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Larry Hansen, Executive Director