

RIVERDALE CITY RDA BOARD
CIVIC CENTER - 4600 S. WEBER RIVER DR.
TUESDAY JUNE 21, 2011

Minutes of the **Meeting of the Board of Directors of the Redevelopment Agency of Riverdale City** held Tuesday, **June 21, 2011** at 6 52 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

Via Phone: Alan Arnold,

Others Present: Larry Hansen, Executive Director, Steve Brooks, City Attorney, Dave Hansen, Police Chief, Shawn Douglas, Acting Public Works Director
Ember Herrick, City Recorder and twelve members of the public.

A. Welcome and Roll Call

Chairman Burrows called the meeting to order and welcomed all those present. He noted that all Board Members were present including Mr. Arnold via phone.

B. Open Communications

None.

C. Consent Items

1. Review of June 7, 2011 Redevelopment Agency Meeting minutes

Motion: Mr. Hunt moved to approve the consent items. Mr. Searle seconded the motion. There was no discussion on the motion.

Call the Question: The motion passed unanimously.

D. Reports and Presentations

1. Report on Condition of the Treasury for the month ending May 31, 2011

Mr. Hansen said the revenue received for the month of May is typical for this time of year. There were no questions from the board on the report.

E. Action Items

1. Consideration of Resolution R2011-02 amending the FY 2010-2011 budget.

Mr. Hansen said there were a couple of amendments to the final budget for 2010-11 which were outlined as items 10 through 13 on the log sheet. There were no comments or questions from the Board about the final budget.

Motion: Mr. Gibby moved to approve R2011-02 amending the FY 2010-2011 budget. Mr. Hunt seconded the motion.

Roll Call Vote: Mr. Gibby, Aye; Mrs. Jenkins, Aye; Mr. Hunt, Aye; Mr. Searle, Aye; Mr. Arnold, Aye. The motion passed unanimously. .

2. Consideration of Resolution R2011-03 adopting the amendments to the tentative budget for FY 2011-2012.

Mr. Hansen said the only change was an amendment to allow for RDA funds to be used in the construction of the proposed roundabout at 700 West and 4400 South in the amount of \$350,000. There were no comments or questions from the Board about the final budget.

Motion: Mr. Searle moved to approve R2011-03 adopting the amendments to the tentative budget for FY 2011-2012. Mr. Hunt seconded the motion.

Roll Call Vote: Mrs. Jenkins, Aye; Mr. Hunt, Aye; Mr. Searle, Aye; Mr. Arnold, Aye; Mr. Gibby, Aye. The motion passed unanimously. .

3. Consideration of Resolution R2011-04 adopting the tentative budget for FY 2011-2012 as the final budget as amended.

Mr. Hansen said the final budget had no additional changes and was on the agenda for the Board's consideration as presented. There were no comments or questions from the Board about the final budget.

Motion: Mr. Gibby moved to approve R2011-04 adopting the tentative budget for FY 2011-2012 as the final budget as amended. Mr. Hunt seconded the motion.

Roll Call Vote: Mr. Hunt, Aye; Mr. Searle, Aye; Mr. Arnold, Aye; Mr. Gibby, Aye; Mrs. Jenkins, Aye. The motion passed unanimously. .

4. Consideration of Resolution R2011-01 to amend the agreement to develop land between Riverdale City and H & P at The Crossing 700 West Riverdale Road.

Community Development Director Randy Daily said his department had received a request to amend the Agreement to Develop Land (ADL) with H & P Investments at The Crossing 700 West and Riverdale Road. According to Mr. Daily, the current ADL describes the development of a restaurant pad but the developer wants to put a financial institution in place of one of the two proposed restaurant. Mr. Hansen said the addendum that immediately follows Resolution R2011-01 as Exhibit "A" calls for a language change from "not less than" to "approximately" in regards to the new building's size.

City Attorney Steve Brooks said in his legal opinion the word “approximate” is too vague. Mr. Daily said if the board approves amending the ADL to allow this new use H & P Investments would still be required to amend their site plan to show the size and position of the new proposed building including parking, drive aisles, and landscaping. Jim Rumpsa of H & P Investments said the developer’s language change request was to allow for some flexibility in the size of the financial institution.

Mrs. Jenkins said the RDA Board entered into this ADL agreement with H & P Investments to benefit the city by developing the land parcel so that it will generate sales tax revenue. She asked Mr. Hansen about the financial implications of changing the use from a restaurant to a financial institution and Mr. Hansen said the city would only receive a little additional property tax revenue. He said if the Board holds the developer to the ADL, and two sit-down restaurants are constructed on the restaurant pad as originally agreed to, each restaurant will generate annual sales tax revenues between \$30-50,000 a year for the city. Mrs. Jenkins said because of the financial impact to the city she believes the Board should not favor changing this use.

Mr. Rumpsa said the slow economy has made it difficult for the property owner to bring in high quality and financially secure businesses as tenants. He said this financial institution is willing to sign a 20 year lease and won’t create a traffic problem in the evenings because it will be closed providing additional parking for the retail center. He added that this new construction could create some momentum in finding additional new tenants for The Crossing. Mr. Gibby asked Mr. Daily about the potential benefits a financial institution could have in bringing in new retailers to The Crossing and Mr. Daily said generally restaurants bring more people to an area than banks but he said anything could act as an anchor to future development.

Mr. Gibby said he would like to see a nice restaurant constructed on the property but anything is better than a vacant lot. Mr. Daily said there are new restaurants coming to Utah all the time; it is just a matter of the right one liking this location. Mr. Hunt pointed out that the financial institution likes this location, but with stipulations. He said he believes that the ADL was well-thought out and he said that he wonders how aggressive the developer has been to attempt to develop the land as agreed. Tony Richardson of PPC Real Estate said he has been marketing the property for nine months and hasn’t seen any restaurants willing to build in the area, stating the only place new restaurants are going in is Layton and Farmington. He said he believes constructing a bank on the site will attract more retailers to rent at The Crossing and offered his opinion that it could take two to four years to bring in a restaurant.

Mrs. Jenkins said she is concerned about the additional traffic entrance being requested on 700 west as she believes it will create traffic impediments and she is confident that the existing traffic entrances and exits provide for adequate traffic circulation. She said the potential traffic problems in addition to the sales tax revenue give her real apprehension about this proposal. Mr. Rumpsa said the access point on 700 west is required for a deal to be secured as stipulated in a letter of intent by the financial institution and he cited other curb cut areas around the city that are allowed, unregulated and haven’t created

traffic concerns. He said The Crossing development shouldn't be held to a different standard. Mr. Searle asked if the developer would be willing to consider a right-in only modification for the entrance and Mr. Rumpsa said they would be willing to put something in but would prefer to do so only if a problem arises. Mr. Gibby asked for the police's perspective on the proposed entrance and Police Chief Doug Hansen's said he doesn't have a problem with the proposal. Mr. Rumpsa said when Mr. Daily contacted UDOT they also didn't cite any concerns. Mrs. Jenkins said Riverdale's acting public works director had expressed concerns about the traffic with the new proposed access. She also said that the UDOT letter simply stated the road wasn't under their jurisdiction and that it was a city issue rather than a state matter. Chairman Burrows reminded the Board that the issue before them is simply a request to amend the ADL from a restaurant to a financial institution, not to make a determination about the traffic access.

Motion: Mrs. Jenkins made a motion to consider the resolution to amend the ADL with the stipulation that the pad as designed be left with no changes to the traffic access. Mr. Hunt seconded the motion.

Mr. Gibby said the wording of Mrs. Jenkins' motion suggests it is an attempt to not approve the use change under the pretense of concerns about traffic and he believes the two issues should be dealt with separately. He said that he would like to see the financial institution built and a new access on 700 west constructed since UDOT and the police don't have concerns about it. Mrs. Jenkins said her concern about the traffic access is genuine and that she isn't opposed to a financial institution being built on the site if they can use the existing roads and site plan. Homer Cutrbus of H & P Investments said his company has been negotiating this deal with the financial institution for 9 months and stated that there aren't lot lines designated for Pad A and Pad B. Mrs. Jenkins said there are lines drawn on the site plan map, which is part of the legally binding ADL the developer entered into with the city.

Mr. Cutrbus said as the property owner he has the right to develop his land the way he sees fit and he believes that it is unfair for the city to not allow him to construct a 25 foot driveway that the police and UDOT support to secure a good long-term tenant in the absence of a market for restaurateurs. Mr. Hunt asked Mr. Hansen about the property rights of H&P Investments and Mr. Hansen said the developer is the property owner but is subject to some restrictions as to what they can do with their land because they freely entered into a binding legal agreement with the city by signing the ADL. According to Mr. Hansen, the Board has the right to modify the agreement now or to hold the second party to the original agreement because they believe it will be mutually beneficial to both parties in the long run. He added that the accusations that this developer is being dealt with in a heavy-handed manner by the city isn't fair or justified and he refuted the claim that restaurants aren't interested in Riverdale by citing the fact that three new restaurants are currently being constructed in the city.

Mr. Arnold called the question.

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

Motion: Mr. Gibby moved to approve R2011-01 to amend the agreement to develop land between Riverdale City and H & P at The Crossing 700 West Riverdale Road. Mr. Searle seconded the motion.

Mrs. Jenkins asked about the addendum and Mr. Brook's recommendation about the size of building proposed for construction. Mr. Brooks said not stipulating a minimum square footage could allow for any size building to be built and Mr. Daily said in a C-3 zone the developer can legally construct a structure that takes up to 45 percent of the parcel. Mrs. Jenkins said in the existing ADL there is a specific square footage stipulated and Mr. Gibby proposed amending his motion to require a 3,000 square foot minimum. Mr. Searle agreed to the addition. Mr. Arnold asked what the original ADL square footage amount was and Mayor Burrows said the wording was approximately 6,940 square feet. The petitioners signified that they were comfortable with the amendment of 3,000 square feet.

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

F. Discretionary items

Chairman Burrows asked the Board for any discretionary items and Mr. Hansen said that he had followed up DDRC after the previous meeting request from Castle of Chaos LLC to run a haunted house out of the old Macys building. According to Mr. Hansen, DDRC said they are in negotiations with a possible long-term tenant for the building who has no objections to the building being used as a haunted house this fall before they move in. Mr. Daily said if the new long-term tenant leases the building they plan to do a complete remodel. He said the fire department will need to approve Castle of Chaos' architectural plan for interior changes and construction as the building's use is being altered to accommodate the haunted house.

G. Adjournment

With no further business to come before the Board at this time,

Motion: Mr. Gibby moved to adjourn the meeting. Mr. Hunt seconded the motion.

Call the Question: The motion passed unanimously.
The meeting adjourned at approximately 7:53 p.m.

Approved: August 16, 2011

Attest:

Bruce Burrows, Chairman

Larry Hansen, Executive Director