

Utah Quality Growth Commission Meeting

Wednesday, February 28, 2007, 11:00 AM

10th Floor of Joseph Smith Memorial Building, 15 East South Temple Street
Salt Lake City, Utah, 84150

Minutes

Commission members present

Dan Lofgren, Chair
Carlton Christensen, Vice Chair
Jaren Davis, Vice Chair
Lewis Billings
Leonard Blackham
Mike Styler
Mike Kohler
Brad Barber
Flint Richards
David Allen

Staff Present

John F. Bennett
Mike Hansen
Laura Ault
Kevin Daniels
Brian Cottam

Visitors

Shauna Kerr, Trust for Public Land
Ally Isom, DCC
George Ramjoue, WFRC
Brent Tanner, Utah Cattlemen's Association

Commission Members Excused

Mayor Darrell Smith

Chairman Dan Lofgren conducted the meeting

1—Welcome and introductions – 5 minutes

Introduce new members present (if any)

Brent Tanner, the new member representing the Cattlemen's Association was introduced. Mr. Tanner's term begins April 15, 2007.

2—Public Comments – 5 minutes

There was no public Comment

3— Approval of Minutes from January 24, 2007 Meeting

ACTION ITEM: Approve January meeting minutes—5 minutes

The minutes were approved with 10 members voting yes, 0 Voting no, and 1 excused

4— Presentation on Rural Character Tool Kit—Brian Cottam and Kevin Daniels, 10 minutes

Brian Cottam explained to the commission that the Governor's office is attempting to create a Rural Character Toolkit that will help communities identify and map their rural attributes. He indicated that this would be most useful to edge cities facing growth, and that he would be working with Utah State University and others to develop the toolkit.

5—Discussion of Utah Quality Growth Communities, Dan Lofgren 15 minutes: This agenda item was continued until the next meeting.

LUNCH: Provided by PRI---Presentation on the City Creek Center Project—30 Minutes

Mark Gibbons, President of PRI, the Real Estate Development arm of the LDS Church, and Dale Bills addressed the Commission about the City Creek Center project to redevelop several downtown blocks. Mr. Gibbons indicated that he has made numerous presentations to civic organizations to explain the project and answer questions. He indicated that it was four years ago that PRI completed the purchase of the Crossroads Mall, and it will be about four years from now when the new development is completed, so from their perspective, they are about halfway through the process, but from the public perspective it is just starting.

Mr. Gibbons showed a series of slides detailing the plans for demolition and reconstruction of the subject blocks. Already, the Inn at Temple Square has been taken down, as has the Crossroads Mall Parking structure. Over the next year or so, the remainder of the demolition will occur. The last piece to be demolished will be the ZCMI food court. This will not occur until the new food court is completed and open. About this time next year the final demolition on the block will be completed. Then excavation begins. 100 % of the parking for these facilities will be built underground, and so significant excavation will need to take place.

Mr. Gibbons explained that placing the parking underground is the biggest single factor in creating an open feel to the development. He also explained that the parking is being designed to a high standard. All the columns will be between the noses of the cars, rather than beside them, and the ceiling height will accommodate “an expedition with a ski rack.”

The project will be mixed use, it will have retail, office and residential components. Macy’s, Nordstrom, and Dillard’s will anchor the retail tenants. The residential component will include condominiums in towers overlooking South Temple Street, and for rent properties over retail in other locations.

On Social Hall Avenue, across State Street from the current ZCMI mall will be a Harmon’s Grocery Store, with residential over it. This is being constructed by Dan Lofgren, and Cowboy Partners. This is scheduled to be the first part of the project completed.

When completed the project will have about 300,000 square feet less office space than now exists, it will also have about 300,000 square feet less retail space. It will have 500-700 residential units that do not now exist, and it will have a 55,000 square foot grocery store in downtown that is not there today.

PRI expects that the project will be completed by Mid-2011.

In response to a question from Commissioner Jaren Davis, Mr. Gibbons explained the Church’s purposes in undertaking this project. He said the church has two motivations. First, they want to insure that the blocks surrounding the international headquarters of the Church are compatible and vibrant, and they want to insure that Main Street is revitalized while being a good corporate citizen and taking absolutely no public subsidy.

Mr. Gibbons commented that the residential uses are a key part of making this successful. He indicated that the demographics are changing and that there is interest in downtown living. The symphony hall, grocery store, and retail will all benefit from the fulltime residents who will live in this project.

6—Discussion on Rock Canyon Grant

ACTION ITEM: Vote to reconsider extension of Rock Canyon Grant to Provo City, John Bennett—5 minutes

The Commission received a letter from John Valentine, Utah State Senate President, and Principle in Red Slab, LLC which is arguing a court case on this acquisition now, and Camille Williams from the Provo City Attorney's Office proposing to turn back the \$200,000 reserved for the Provo Rock Canyon Grant, and asking that they be allowed to return to the Commission in the future when the court case is settled to request this funding. After discussion expressing the strong support of the current commissioners for this project, Commissioner Jaren Davis moved that the money be reallocated, and that the commission issue a finding that this is a project they would like to fund, the urging the applicants to come back to the Commission to request additional funding if this issue is resolved. The commission would then consider this request in light of the situation at the time. Commissioner Brad Barber Seconded the Motion. The motion was approved with 10 members voting yes, 0 voting no, and 1 being excused.

7—Legislative strategy, and funding Update, John Bennett--10 minutes

Staff was asked to invite Mel Brown to speak to the commission and others to talk about some of the objections to the work of the commission. Staff was also asked to arrange a presentation to the natural resources interim committee.

8—Critical Lands Subcommittee Report, Discussion of proposed changes to rating and ranking system, and report from TPL on Glenn Farm Project, John Bennett, 15 minutes

ACTION ITEM: Possible reallocation of reclaimed grant funds

Discussion of Proposals to refine the rating and ranking system. John Bennett lead a discussion of the proposals from the Critical Lands Subcommittee about possible changes to the rating and ranking system.

Elevate the readiness checklist. The subcommittee recommended that applicants would need to have, at the time of the full application, the items on the readiness checklist completed. Those items are: an appraisal, letters of support, a purchase option or other agreement for the property, identified easement holder, and identified matching funds. Additional points would be given to those projects that had secured their matching funds when they came to the Commission.

Shauna Kerr, Utah State Director for the Trust for Public Land, spoke to the commission on this issue. She indicated that the Federal Appraisal process has tightened, and that the appraisals for federal funds can only be 6 months old. She indicated that there is an extensive review process and she hoped the commission could work out a process to take into account the federal requirements. Commissioners offered several suggestions, and finally directed staff and the subcommittee to revisit the appraisal issue and make a formal recommendation. The commissioners expressed the opinion that what we are trying to do is have a value established, and a deal negotiated before coming to the commission for funding, rather than coming to us for funds, and then using our grant to negotiate a deal.

Require a timeline to ensure timely completion. The subcommittee also recommended that a timeline be presented that requires these deals to be completed within one year, and that extensions be granted only in truly extraordinary circumstances, so that we are not hanging on to funds for long periods of time.

Require a management plan for all non-federal projects. The subcommittee further recommended that a management plan be required on all parcels to ensure that the values are managed to protect them. Most projects have federal funds, and that requirement is already there for those projects, but on those projects where there is no federal money, we would require that a formal plan be adopted as part of the easement to ensure that the values are managed appropriately.

Better define urgency. The subcommittee also recognized the need to better define urgency. Essentially the position they are taking is that if a project can come back next year, it should come back next year. We should be looking to do those projects that must be done this year. Some concern was expressed about not losing an opportunity to be the first money in. The issue seems to be that there are many ways to define urgency. For example, if the owner is aging, and the heirs are unlikely to conclude the project, that might be urgent. If the bulldozers are running, that might be urgent. If there is money available now that might not be available in the future, that might be urgent. This question of how we define urgency is a difficult one but important to the work we do.

The subcommittee also suggested that staff try to identify whether there are lists of appraisers in other state departments, or other sources for referring people who need help finding a good appraiser. Shauna Kerr commented that there are a limited number of appraisers in Utah that can do the complicated appraisals needed for conservation easement work.

Agricultural Sustainability. Leonard Blackham suggested that we also need to consider the sustainability of the conservation easements, particularly the agricultural easements. Leonard indicated that the Department of Agriculture needed to come up with ways to evaluate the long-term viability of the easements to ensure that future owners can continue to farm. If we are only buying a short time, then it may not be worth doing.

He suggested that it may be that we would want to consider changing how easements are structured. We might, as an example, want to structure an easement where half the payment comes in cash up front, and the other half comes in an annuity payment over time for the continuing support of the farming operation.

Leonard also asserted that many farmers have to diversify to stay in agriculture. And sometimes that diversification is non-agricultural. He might put in a corn maze, or do something else in agri-tourism. He recounted a recent experience where a farmer was speaking to an ag group about how he had turned his farm around financially. He revealed that he hosted farm weddings, farm concerts and other non agricultural uses that he found to generate funds to support his farm. Mike Styler concurred with Leonard, and indicated that if we are not careful, we could be creating a blight, as a farm falls into disrepair after a farmer dies. Dan Lofgren indicated that this inevitably means we may need to do an economic analysis to determine the viability of the farm with an easement in place.

Findings of Public Benefit. David Allen raised a new issue. He discussed the need for the application materials to reference the public benefits directly. John Bennett indicated that there are questions in the current application documents that attempt to get at the public benefits, but, they may not be labeled that way. He suggested that staff would rework the applications to make it clear that we need to know the public benefits in order to evaluate the project. Dan Lofgren reminded the Commission of earlier discussions about the Commission making a finding in listing the multiple public benefits of each project. He acknowledged that this was not part of our current process, but felt it was still a valid idea.

Because time was short, the commission moved to consider the next agenda item. But the subcommittee was directed to further define these recommendations and return to the commission with a refined recommendation.

TPL Request for additional funding/re-allocating West Jordan Grant.

John Bennett reminded the commissioners that they had discussed this issue at the last meeting. The commission received two letters. The first was from West Jordan indicating that they did not need the funds the commission had granted because they had been able to complete the project without them, and requesting that that the money go towards another project in West Jordan. The commission was

uncomfortable applying the funds to another project without taking that project through the rating and ranking process.

At the same time, the Trust for Public Land asked the Commission to consider granting some additional funds to the Glenn Farm Project because the value of the project had increased, and they were unable to raise sufficient additional funds. TPL had been asked to return at this meeting with additional information.

John reminded the commission that TPL had asked the federal government to increase its contribution to the project, and was also asking the commission do the same. The commission had determined that they would only consider increasing the request by \$85,000 which would take the project to the level they originally requested. TPL has come back to the commission with additional information and a request for the additional \$85,000.

Shauna Kerr with Trust for Public Land explained the reason for the request. She reminded the Commission of their earlier discussion of appraisals, and indicated that the federal process necessitates an estimate, because of the timing of the appraisal which must be completed within 60 days of closing. This initial estimate was low, and that is the reason for the request.

She indicated that they have requested additional funds from the federal government, but they will not know if that money is available for 3 to 6 months. However, she indicated that TPL will put its own money into the project, so that the project can close with the additional \$85,000. She indicated that if the federal money is available, then the level of TPL's participation would decrease.

Leonard Blackham asked Shauna about the federal appraisal process. He wondered if the federal government required TPL to pay the amount agreed to under contract, or the appraised value. Shauna indicated that the federal government requires fair market value as established by the appraisal regardless of the deal that is struck. She indicated that federal reviewers last year required TPL to increase the amount the paid on a project by \$55,000 because they believed the appraisal was low even though the landowner had agree to deal. Leonard, and other commissioners suggested that we talk with the congressional delegation. He felt that the deal establishes fair market value, and the appraisal should simply validate the deal, not supersede it. Shauna agreed and indicated that she felt the same.

Commissioner Blackham moved that the commission use \$85,000 of the funds previously allocated to West Jordan to fully fund the Glenn Farm request contingent on the entire project closing, and not being phased, and with a finding that this action was based on the strength of the prior application, and the desire to take advantage of the federal funds already allocated to the project. The motion was amended to indicate that if the federal government provided additional funds, that TPL and the LeRay McAllister fund would split those proceeds. Carlton Christensen seconded the motion, and it passed unanimously with nine members being present.

9—Discussion on the appointment of a new Commission representative on Governor's Quality Growth Awards Committee.—5 minutes, Dan Lofgren

ACTION ITEM: Appoint new member to Committee

Commissioner Brad Barber has been representing the Commission on this committee. As he will be leaving the Commission in April, it was determined that a new representative on this committee needed to be appointed. Jaren Davis nominated Mike Kohler to fill this role. Mike accepted the nomination, and David Allen seconded. Mike Kohler's nomination to serve on this Committee was approved unanimously.

10--Administrative Matters

Next meeting at Zermatt Resort in Midway, March 27, 2007.