

**MINUTES OF THE BOARD OF DIRECTORS
OF THE REDEVELOPMENT AGENCY OF THE
CITY OF HOLLADAY**

Wednesday, June 29, 2005

7:00 pm

**Holladay Elementary School Multi-Purpose Room (Basement)
4580 South 2300 East
Holladay, Utah**

Board of Directors

Steven R. Peterson, Chair
Hugo Diederich, Vice Chair
Lynn Pace, Board Member
Dennis Webb, Board Member - Excused
Grant Orton, Board Member
Sandy Thackeray, Board Member - Excused

Also Present

Randy Fitts, Executive Director
Stephanie Carlson, Recorder

I. *Welcome and Introductory Statement.*

Chairman Steven Peterson called the meeting to order at 7:00 p.m.

II. *Public Hearing on Proposed Budget Amendments for 2004-05*

Chairman Peterson opened the public hearing at 7:03pm. There being no comments. Chairman Peterson closed the hearing at 7:04pm.

III. *Consideration of Resolution RDA 05-09 Amending the Budget for the Redevelopment Agency for the Fiscal Year 2004-05*

Board Member Orton moved to adopt Resolution RDA 05-09. Board Member Pace seconded the motion. The Agency Board roll call vote was as follows: Board Members Diederich, Pace, Orton, and Peterson voted in favor of the motion. Resolution RDA 05-09 was adopted by a unanimous vote.

IV. *Approval of RDA Minutes – January 10 and June 9, 2005*

Board Member Pace moved to approve the minutes. Board Member Diederich seconded the motion. The Agency Board voted in the affirmative and the motion carried.

V. *Presentation of Summary Statement, Including Purposes of Blight Hearing and of Public Input Hearing -- Randall Feil, Special Counsel for Redevelopment Agency.*

Chairman Peterson remarked that the Board hoped to hear as much public comment on the matter as possible. He clarified that the public input section of the hearing was on the plan area only and not on the blight determination. Mr. Feil reviewed the purpose of the hearing is to permit all evidence of existence or nonexistence of blight in the project area, permit owners and others to comment (statement attached). The Agency has decided to combine the blight hearing and the public input hearing. No written objections have been received prior to this meeting by the agency.

VI. *Public Input Hearing:*

a. Presentation of information regarding the area being considered for a redevelopment project area, and regarding contemplated redevelopment plan to be prepared.

Special Counsel for Redevelopment Agency, Randy Feil, explained that the plan would include a legal description of the project area as well as a map showing the boundary of the project area. It would contain standards that would guide the development and contain phrases about how streets might be affected by the redevelopment plan. It would describe how the Board would go forward with reducing or eliminating blight factors in the project area and provide for the use of tax increment by the Redevelopment Agency for a certain period of time as well as provide an analysis of whether the plan is financially viable. It would contain a provision regarding certain housing monies (20%) that would be allocated for specific housing purposes and have provisions for a project area budget that would show how long the tax increment could be received by the Agency and the first and last tax years that it would be received. A provision would also be included with respect to whether eminent domain could be used and whether it would be incorporated into the plan if allowed by law in the future. Eminent domain issues were discussed. Under the law previously, the time limit for using eminent domain was limited to the first five years of the plan. Currently, there was no power of eminent domain available.

b. Public input, by the following persons or their representatives, into agency deliberations on proposing the Village Center Redevelopment Project Area, and regarding the redevelopment plan to be prepared:

(1) The Council first heard from persons owning real property located within the proposed project area.

Dr. Robert Hill

Dr. Hill introduced himself as one of five owners of the Olympus Clinic. He thanked Chairman Peterson and Mr. Feil for their reassuring opening remarks about RDA involvement in redevelopment. He attended a meeting previously involving a number of the members of the RDA Board. Chairman Peterson said at that meeting that the correct response of the merchants in the area being considered should be fear. The Chairman was also asked whether, if eminent domain law were to change and eminent domain reinstated, whether the Board would be willing to voluntarily sign a document agreeing not to use eminent domain. Chairman Peterson responded that he would not. It sounded gentle to Dr. Hill, but in fact, merchants were fearful because they are counseled to be fearful. Dr. Hill and his partners in the Olympus Clinic did not want their property included in the project. He had before him a copy of the Bonneville Research Blight Study as well as a summary and letter dated May 18, 2005, from Bonneville Research. The cumulative conclusion was that the area is unfit or unsafe to occupy or may be conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime. The reason given was that of the 50 parcels, 48 exhibit three or more of the legislative blight factors. Dr. Hill clarified that that was the conclusion of the study. He referred to page 17 of the blight study, which indicated that one of the factors of blight was evidence of continual disuse. He and his partners did not want their clinic included in a parcel of land that is summarized to be unfit and unsafe. He believed it was a false summary of the data of the blight study.

Gaylen Young

Mr. Young reported that he lives in Holladay Villa B. The homeowners were happy that the area was being considered by the Board to eliminate some of the blighted area. He, however, asked that Holladay Villa B be outside of the area. The homeowners did not want to have to worry about whether the Legislature would come back with an eminent domain proposition. The residents submitted their objections to including Holladay Villa B in the RDA blighted area.

Jay Corney (sp?)

Mr. Corney was a Holladay Villa A homeowner. When he received the notice of blight, he grew concerned because he had no idea that such a study was being conducted. After speaking with his neighbors, they indicated that they wanted to be removed from the area as well. His understanding was that including the residential area in the plan was an act of omission. He asked that the change showing the exclusion of Holladay Villa A be made in writing.

Connie Hanks

Ms. Hanks identified herself and her husband are the owners of Holladay Pharmacy. She stated that the business owners in the city center are not opposed to improvements. They questioned, however, why any business owner would invest their time and money on improvements when every two years the merchants are threatened and scared that developers will move in to take over their businesses. She commented that small business owners cannot afford the expensive rents of cookie-cutter development and that she and other merchants were worried that they would lose the businesses they had spent their lives building. The Holladay Village Center Committee and members of the Chamber of Commerce were concerned at every election that they will be faced with a new plan and a new battle. Regardless of their fear, four years earlier they trusted the City Council and she and her husband spent \$1.5 million on improvements to their property, which is now considered blighted. She believed that small business owners in Holladay deserve respect and appreciation for the years spent being of service to the community rather than threats and disrespect. She expressed opposition to the blight study. Ms. Hanks commented that small businesses are the backbone of the community. They give superior service and products to the community and make the city center unique. She remarked that the merchants of Holladay Village are becoming weary of fighting. She hoped they and the Council could work together to build a unique and wonderful city center.

Adam Nash

Mr. Nash introduced himself as a property owner in the proposed district boundaries. He appreciated the efforts of the City Council Members to work toward improving the quality of life in the City. He wanted the formation of the redevelopment district boundaries, however, to be mindful of the businesses and residences located within those boundaries. He felt they had been instrumental in creating the atmosphere that is so desirous within the community. He was concerned that the RDA boundaries may not be concerned with the long-term continuous health of all of the businesses and residences and was possibly preparing to clear a path for replacements to local businesses. He thought that a tax increment financing write down could provide an unfair advantage for new businesses to compete with existing businesses. He wondered if a way could be found for the Redevelopment Agency, though tax increment financing and write downs, to help improve the existing businesses so that they can provide what local residents desire without replacing them with businesses that have nothing to do with creating the atmosphere and feeling that is Holladay City.

Fred Rucker

Mr. Rucker introduced himself as the owner of the car wash next to Apollo Burger. He echoed the comments of Connie Hanks and felt that the businesses in Holladay are quality businesses. He wanted that to continue. He was opposed to developers coming in and changing the area and asked that his business be removed from the plan area along with the residential areas behind it.

Tom Hulbert

Mr. Hulbert introduced himself as a property owner in the proposed area. His understanding was that the area comprises 59 acres, which to him seemed like a large area for redevelopment. He asked that the City Council look at phasing the project. He felt that improvements could be made to the area using the RDA and the tax increment financing. He thought there were other areas more immediately in need of redevelopment and infrastructure improvements.

George Schmidt

Mr. Schmidt introduced himself as the owner of Smitty's Service. His business had been in its current location for the past 16 years. He realized that the Council had to represent all of the citizens and asked each Member individually to indicate how many of their constituents contacted them to redevelop. He also asked that they indicate when their terms end so the citizens can plan for the next election.

Ruth Watson

She identified herself and her son as the owners of the building next to the car wash. Since they purchased the property, they had worked hard to get the building in shape. They had only three parking places in the front. The original plan would cut them out and create a non-conforming use which would result in decreased property value. She expressed opposition to the plan.

Mel Ball

As owner of Little Caesar's Pizza in the heart of the redevelopment area, he had no objection to the RDA, however, he did object to the way property was valued in the area. He remarked that he had only been offered 10% more for his property than what he paid for it 20 years earlier.

Max Agretson (sp?)

As a property owner within the boundary, Mr. Agretson did not know how he could give input on a redevelopment area with the limited amount of information provided. He didn't view his property as blighted and preferred to be kept out of the plan.

Frederick Kidston

Mr. Kidston was the owner of property next to the Holladay Pharmacy. He agreed with Ms. Hanks and thought that most of the business owners would be willing to make improvements if a master plan was in place. He asked to be excluded from the redevelopment area.

Kerry Brown

Mr. Brown reported that he and his wife recently purchased the property that Olympus Pharmacy sits on. Within the last month they had made their first mortgage payment. Since that time, he had been very impressed with the way they had been treated by the Mayor and others interested in developing the area. He hoped to see the area developed. He had spent many years working

in the area and had made plans to finish out his career in Holladay. Condemnation issues were discussed. Mr. Brown felt that if condemnation were off the table, the RDA Board would want to work with the business owners and property owners differently than they would if condemnation and eminent domain were being considered. He hoped to see the project move forward, but realized that if there continued to be antagonism between property owners and the RDA Board, problems would result.

Kent Jorgenson

Mr. Jorgenson was the owner of a condominium at 4615 South Holladay Boulevard. He was present speaking on behalf of himself only. He was interested in determining the fair market value of his property and having it included in the project area. He realized that his request involved only a small piece of property and that others had differing opinions. His group of homeowners had met with the association and there seemed to be a majority of property owners interested in participating. He thought there was benefit for some property owners to be included in the project area and believed that the one benefit to eminent domain was that there are State and Federal laws that allow certain things to occur to protect the property owners. He hoped that without that, there could still be a fair process.

Lavar Neff

Mr. Neff and his wife were the owners of Holladay Professional Plaza. He commented that it would be impossible for him to build or take a trade elsewhere since his rents are low and theirs is the nicest building in the area. He had invested his life savings and retirement into the building. For someone to buy it, it would require millions and millions of dollars to duplicate the rent that he receives with the high medical bills that he has. He was dependent on the rent money to support himself and his wife. Many of the tenants were also in debt because of inside improvements they had made. All of his tenants were very concerned about the building being taken away. He hoped the government would not simply “bulldoze over” individuals.

Mr Feil clarified the eminent domain issue. He explained that the Utah Legislature had removed from redevelopment agencies the power to acquire property by condemnation or eminent domain. As a result, it was not possible unless they were to change the law in the future. He explained that in working with redevelopment agencies over many years, eminent domain or the power of condemnation was very rarely used. The Agency Board consists of the same people as the City Council. He explained that most redevelopment happens with owners. Even in situations where outside developers become owners and try to assemble property for a project area, the history of redevelopment in Utah had been that redevelopment agency boards are reluctant to use the power of eminent domain because it is politically difficult to do and they don't want to take people's property for a developer. With regard to eminent domain, property owners have the assurance that; 1) it is not allowed by law, and 2) that very few boards were willing to exercise the power of eminent domain. When they do, it is usually because of a huge project that is a key element to a city for the benefit of everyone. Even then, some boards will refuse to do it.

Connie Hanks

Ms. Hanks stated that if the Board were to provide assurance, it would take away the fear of the property owners. She stated that after reading from the Relocation Rules for the RDA they were frightened. Mr. Feil remarked that the document was adopted because State law requires it. He added that the Relocation Rules must include certain things. He believed that one of the mistakes the Legislature made when they removed the power of eminent domain from redevelopment agencies was that they did not go through the law carefully to look at other provisions that needed to be removed such as the requirement to adopt relocation rules. He explained that it couldn't be removed from the document until the law changes. Ms. Hanks remarked that if the Holladay business owners weren't afraid and confused, they would get along with the Board.

(2) *The Council next was to hear from taxing entities.*

There were none.

(3) *The Council next heard from persons owning real property located within 300 feet of the boundaries of the proposed project area.*

Twinkle Chisholm

Ms. Chisholm gave her address as 2370 East Phylden. She wanted to see the plan require that at least 80% of the businesses in the redevelopment area be locally owned, independent businesses and that somehow the financial burden to them not exceed the normal cost of living increases.

Lew Mousley

Mr. Mousley was concerned when he found that there was no plan yet in place. He was afraid that if the citizens and business owners go along with the plan, they would regret it. He supported the comments made earlier that the board members inform them of when their terms expire so they can vote them out of office.

Abthal Raji-Kubba

Ms. Raji-Kubba stated that she and her neighbors own properties adjacent to the backside of Olympus Junior High. The reconstruction of the school had been a nightmare and the City did not stand by its residents and protect them. She stated that the structural integrity of their homes was compromised. She was uncomfortable agreeing to something without a plan in place to set out the impacts to their properties. She felt like the citizens had no voice and demanded that they see more detailed plans.

Chairman Peterson responded that by law a public hearing was being held to obtain input on the plan before it is developed. Additional public hearings would be held once the plan is drafted. He stressed that the purpose of the meeting was to obtain input prior to development of the plan.

Matthew Thomas

Mr. Thomas was a property owner in Holladay Villa B. In response to a question raised by Mr. Thomas, Chairman Peterson reiterated that the issue was to give specific input for the plan development. Ample opportunity would be given as the plan is developed to make comment after preliminary comments are taken into account.

Richard Gaisford

Mr. Gaisford gave his address as 2220 East 4800 South. He asked for an explanation of the nine factors of blight. Chairman Peterson stated that they would be given during the next public hearing on blight.

Candace Mousely-Tarkeshian

Ms. Mousely-Tarkeshian wondered how public comment could be made on the plan if no information had been provided. Mr. Feil clarified that the purpose of this first public hearing was to obtain public input regarding the Agency Board's consideration of a proposed project area and plan. Comments should pertain to what the boundaries should be and whether the plan should involve eminent domain. Input should involve what should be included in the plan itself. The second public hearing would deal with whether the project area is blighted. He explained that the two were totally separate concepts. Ms. Mousely-Tarkeshian disagreed and felt they were one in the same.

Sophia Palmer

Ms. Palmer gave her address as 2220 East Murray-Holladay Road. She was concerned that this type of hearing and information creates uncertainty and affects people trying to sell their property. She was also concerned that it could drive down property values.

(4) *The Council next heard from other interested persons.*

Ryan Lupkin

Mr. Lupkin stated that his in-laws are the owners of Holladay Pharmacy. Eminent domain issues were discussed. He stated that it was recently ruled Constitutional for governments to take private property from one landowner and give it to another private landowner. He also stated that 10,000 instances were cited in the past 40 years of that happening. In conducting research, he found that the League of Cities and Towns was actively petitioning the Legislature. He mentioned that City Attorney, Craig Hall, was a member of the Legislative Policy Committee for the Utah League. He wanted to know what efforts were being made to overturn that.

Henry Romagosa

Mr. Romagosa asked if the Board had a plan in place for informing citizens during the drafting process. He was concerned that by the time the draft is put together, it would be too late to make changes to. Mr. Feil responded that a draft plan would be prepared and kept on file for at least 30 days prior to the plan and budget hearing which would be properly noticed. The purpose of the second set of hearings would be to give input on the draft plan. At that time, it could be revised based on input provided at the next set of hearings.

Sharron Horsey, Chair of the Holladay Chamber of Commerce

Ms. Horsey thanked three of the Council Members for attending an impromptu meeting held with some of the business owners within the village center. It was apparent that everyone was in agreement that the Holladay village center needs work and business owners agreed to update their shop fronts. She reported that earlier in the year, the Chamber of Commerce made the recommendation that the Council meet with Ben Oliver from the Utah Main Street Program. She, Board Member Diederich, and Mr. Fitts attended a Main Street Conference in Richfield. They felt that Holladay was "halfway there" with the existing businesses. They believed the

Supreme Court ruling giving government the right to take property was unconstitutional and hoped Utah would never adopt it into State law. Petitions were signed by property owners and citizens within the area who are opposed to eminent domain.

Spencer Bowden

Mr. Bowden reported that he owns and operates an insurance agency at 4659 South 2300 East. He purchased the agency from the original owner 4 ½ years earlier, however, the agency itself had been in business for 20 years. If the plan goes into effect, he asked what would happen to the business owners while the area is being redeveloped. He reported that he has a large book of business and it would cost him around \$10,000 to move the agency. Mr. Feil responded that if he were a property owner within the project area, he would do nothing different. He didn't expect that the power of eminent domain would be used against him even if it existed. If it did, he would avail himself of all of the requirements. He need not be concerned about having to sell because it would be at a fair price under federal and State laws. Mr. Bowden stated that it would not be easy for him to relocate because of the territories other insurance companies. He hoped he would not be forced to move with the plan.

Wendell Miller

Mr. Miller believed that the use of eminent domain was a primary element in the minds of the people that could be impacted. Chairman Peterson remarked that eminent domain was taken off the table in February and was a permanent change. Mr. Miller was unsure whether the property had to be contiguous. He also felt that nearby business owners stand to be impacted by the project but were not invited to attend tonight's meeting. He thought it would be beneficial to get their input since they will be impacted.

Chairman Peterson responded that properties must be contiguous. The Survey Area Resolution was passed just prior to the Legislature putting a one-year moratorium on new project areas. There was consideration about possibly creating a project area near the mall, however, because the survey area was not done in time, it was taken off the table for at least another year. He explained that when they were looking at how other states deal with the issue of eminent domain, the State of Arizona put additional requirements on the issue of eminent domain. It raises the bar such that the only time it can be used is if a specific piece of property precludes a larger development from moving ahead. All of the same requirements would still exist to protect the property owners. It essentially means that one recalcitrant property owner cannot restrict a development that all others have agreed to from moving forward.

Matthew Thomas

Mr. Thomas requested that when the plan is finalized, if State law permits, that it be put to a vote of the citizens. Chairman Peterson responded that the plan would be subject to additional public hearings at that time.

Carol Zimmerman

Ms. Zimmerman recalled that initially it was reported that 20% of the tax increment would go toward low and moderate-income housing. Mr. Feil responded that State law requires that the funds be allocated to certain housing uses, some of which are income-targeted housing. Ms. Zimmerman asked where the property would come from if there is no other vacant property that would fulfill the need. Mr. Feil responded that the 20% required housing allocation from tax

increment could be spent anywhere within the city limits. It could take on various forms including a rehabilitation loan program, a low interest loan program, infrastructure for low-income housing, or for housing that replaces a rundown area in the City. The tax increment would come from property taxes from new improvements over and above what exists presently. The additional tax revenue would go to the RDA for use inside the project area, with 20% going toward the specific housing purposes discussed. Ms. Zimmerman questioned the need for an RDA.

Lily Morgan

Ms. Morgan thought the concern was whether the RDA was the most viable solution. It seemed to many like a quick fix to a long-term problem.

Tom Breitling

Mr. Breitling asked what the advantage was of an RDA. Chairman Peterson indicated that it was the vehicle necessary to obtain the funding to improve the project area. Mr. Breitling responded that his research showed that every RDA in Salt Lake County had been unsuccessful.

Lynn Sultan

Mr. Sultan stated that his property is within walking distance of the village center. He was concerned about how the developers would be chosen if a plan is adopted. Chairman Peterson responded that there would be a Request for Qualification and a Request for Proposal on properties that the City owns.

Reuel Ware

Mr. Ware reported that he had operated a business in Holladay for 30 years. While he didn't own the property, he did own property downtown located in a redevelopment area with improvement districts. His property had never been taken from him. There had been two proposals on the block, both of which were turned down. He remarked that the City of Salt Lake had not been involved in a condemnation for a long time. He believed there was another alternative for the City to accomplish what it wanted to. He referred to an improvement district that would help pay for curb, gutter, sidewalks, and streetlights. He had been involved in several improvement districts and explained that property owners pay for it. The City bonds for the improvements and property owners repay the bond over a specific period of time. He suggested the option of an improvement district be considered instead.

Peaches Cederholm

Ms. Cederholm didn't feel residents were getting enough of a voice and had little confidence in the RDA. She suggested the matter be decided by a vote of the citizens. She suggested also that revenue or bonding from the Cottonwood Mall be used to help fund improvements. Chairman Peterson explained that revenue the City receives from the Cottonwood Mall go into the City's General Fund to pay for services.

Brent Frank

Mr. Frank described himself as an extremely concerned stockholder in Holladay Pharmacy, Inc. He had not yet heard from anyone in support of the RDA. As a result, he suggested the public hearing be closed.

John Wall

Dr. Wall was a partner in the Olympus Clinic. His understanding was that with the RDA, a plan must be in place and filed with the State. Chairman Peterson explained that the City was in the beginning stages of a lengthy process. If a determination were made to go forward, there would be a plan in place. A public hearing would be held on the plan prior to adoption. If adopted, it would be filed at the City offices and available for inspection. He explained that a plan must be filed within one year of the date that the Redevelopment Agency Board makes its findings of blight. If the deadline is not met, the process would have to begin again. He clarified that the project area cannot be expanded but can be reduced.

VI. *Motion to Close Public Input Hearing.*

Board Member Diederich made a motion to close the public hearing. Board Member Orton seconded the motion. The Agency Board roll call was as follows: Board Members Diederich, Pace, Orton, and Peterson voted in favor. The public hearing was closed.

VIII. *Blight Hearing and Presentation of Evidence of Existence or Nonexistence of Blight Within the Proposed Village Center Redevelopment Project Area.*

a. Presentation of blight study and of evidence in support of a finding of blight within the proposed Village Center Redevelopment Project Area – Bob Springmeyer.

Bob Springmeyer stated that he conducted the research and was retained by the Redevelopment Agency of Holladay City. He explained that the area delineated in yellow on the map was the area he was asked to survey. Accordingly, the Board passed a Survey Area Resolution defining the boundaries. He looked at the area to determine whether it met the Legislative conditions of blight. He stated that the Redevelopment Agency Act requires a collection of technical documentation to be considered by the Board to support a finding of blight specific to the Utah Code section that defines the existence of blight and the factors that contribute to it. The legislative blight factors were presented. They were:

1. The area contains buildings or improvements used or intended to be used for residential, commercial, industrial, or other urban purposes, or any combination of those uses.
2. At least half of the number of parcels as well as half of the acreage have buildings and improvements on them.
3. Is unfit or unsafe to occupy or may be conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime because of any three or more of the following factors:
 - a. Defective character of physical construction.
 - b. High-density of population or overcrowding.
 - c. Inadequate ventilation, light, or spacing between buildings.
 - d. Mixed character and shifting of uses resulting in obsolescence, deterioration, or dilapidation.
 - e. Economic deterioration or continued disuse.
 - f. Lots of irregular shape or inadequate size for proper usefulness in development or laying out of lots in disregard of the contours or other physical characteristics of the ground and surrounding conditions.

- g. Inadequate sanitation or public facilities which may include streets, open spaces and utilities, areas that are subject to being submerged by water, and the existence of any hazardous or solid waste.

Chairman Peterson understands was that if evidence of blight is not found by the Board, it cannot attach or control the incremental increase in value. Mr. Springmeyer stated that that was correct.

He thought it was important to note that there was not one single cause of blight. It was a cumulation of factors and a function of several physical and environmental factors, which in combination, produce blight. He reiterated that Utah adopted redevelopment codes that have been used in California and New York. The term "blight" was a term that had been supported by case law that allowed for public purpose. The Utah Legislature realized that this area does not have the tenements that are found in the Bronx or burnt out buildings such as in Watts. There are instead, areas with conditions that may limit development or redevelopment. The Legislature's intent was to give local entities the ability to collect tax increment to self-finance redevelopment.

In the survey area it was found that the non-public acreage comprised 35.53 acres with 50 parcels. The project area that he was recommending would be the same as the survey area. He commented that the first two tests were met. Forty-three parcels were found to have some elements of condition number three. Twenty-four parcels reflected health code deficiencies, and 31 parcels showed planning and zoning code deficiencies. As a result, 44 of the 50 parcels, or 88% of the parcels, representing 28.7 acres or 81% of the total proposed project area, showed deficiency.

In accordance with condition 3(d), 28 parcels exhibited evidence of mixed character and shifting of uses; 49 parcels exhibited evidence of obsolescence, deterioration, or dilapidation; and 22 parcels exhibited evidence of conditions found to be conducive to higher levels of crime. Evidence of mixed character and shifting of uses resulting in obsolescence, deterioration, or dilapidation was found on 98% of the parcels, 35.2 acres, or 99% of the total proposed project area.

Factor 3(e) was discussed. Mr. Springmeyer reported that 49 parcels exhibited evidence of economic deterioration and two parcels exhibited evidence of continued disuse. The result was that 49 of the 50 parcels, or 98% of the parcels constituting 35.20 acres or 99% of the proposed project area, exhibited evidence of economic deterioration or continued disuse.

Item 3(f) was reviewed. Mr. Springmeyer stated that two parcels exhibited evidence of lots of an irregular shape or inadequate size for proper usefulness in development or laying out of lots in disregard to the contours and other physical characteristics of the ground. The lots were of non-conforming size for a commercial use. Therefore, only two of the 50 parcels, or 4%, constituting .25 acres or 1% of the total proposed project area, were included.

Factor 13(g) was reviewed. Mr. Springmeyer stated that 47 parcels exhibited evidence of inadequate public facilities, which included inadequate roads, inadequate storm sewers, storm drainage, and in some cases, lack of sidewalks and curb and gutter. It was found that of the 47 parcels or 94% of the parcels representing 34.6 acres or 98% of the proposed project area exhibited evidence of inadequate public facilities. There were no areas found to be subject to being submerged by water. There was also no unusual finding of hazardous or solid waste.

The findings were as follows:

1. The proposed Holladay Village Center Redevelopment Project Area contains 35.53 acres, plus or minus, of private or real property which is less than the maximum 100 acres.
2. The proposed Redevelopment Project Village Center contains buildings or improvements on 100% of the number of parcels of private real property and whose acreage is 100% of the acreage of the private real property within the proposed Redevelopment Project Area.

It was reported that 48 of the total of 50, or 96% of the number of parcels for a total of 34.9 acres, or 98% of the total proposed Holladay Village Center Redevelopment Project Area exhibited three or more of the legislative blight factors. Therefore, the proposed Village Center Redevelopment Project Area was determined to be a blighted area, the redevelopment of which was necessary to effectuate a public purpose. Evidence of blight conditions or indicators were found in the project area sufficient to be determined to be present area wide, and leads to the cumulative conclusion of blighted conditions in the proposed Village Center Redevelopment Project Area.

c. Examination and cross-examination of witnesses providing evidence of blight, by record owners of property located within the proposed Village Center Redevelopment Project area or by the record property owner representatives.

Boyd Fullmer

Mr. Fullmer was a Holladay Villa B property owner. A statement had been provided with the homeowners' objection to the blight designation and a request that they be excluded from the RDA. He expressed concern with the term blight being used to describe the area since many hoped to sell. He recognized that that was very negative for a prospective buyer. It was reported that the sidewalk and curb and gutter in front of their property was blighted. He personally had walked the sidewalk and inspected the curb and gutter and found no deficiencies. With regard specifically to the area immediately in front of their property, he saw no evidence of blight. There was also concern with inadequate flood drainage. He responded that there was no risk of flood drainage on their property. Because it is flat, it seemed to him that excess water would simply flow off. In addition, a working storm drain was located to the north of the site. Another storm drain was also said to exist to the west of the Apollo Burger. The study also reported that there is a non-screened garbage collection area on the property. Mr. Fullmer reported that the garbage collection area is kept clean and they had never received a notice from the City requesting additional drainage, repairs to the sidewalk, or that they provide fencing around the garbage collection area. He objected to the findings of blight on the property. Mr. Springmeyer agreed to recheck the property on the study and to make sure he wasn't confusing Mr. Boyd's property with another. He did, however, stand by his finding of the dumpster not being enclosed and meeting City code as well as his finding of inadequate drainage. He thought Mr. Boyd's testimony further supported the inadequate drainage finding.

Dr. Robert Hill

Dr. Hill remarked that the area must be determined to be blighted in order to obtain tax increment funding. He asked Mr. Springmeyer how many criteria were found for the Olympus Clinic to declare it blighted. Mr. Springmeyer responded that three factors were found. One was because of the existence of a residence in a commercial zone, no curb, gutter, and sidewalk, poor parking, and parking backing the road. Dr. Hill remarked that his findings were different. He stated that

there was no residence on the rear of the property as found by Mr. Springmeyer. Dr. Hill believed that all of Mr. Springmeyer's findings were false. Mr. Springmeyer agreed to reexamine the property and make any necessary changes. According to his records, the Clinic owned 1.89 acres. Dr. Hill responded that their County assessment showed only 1.34 acres. He was concerned that incorrect information was used to give a blight determination on the property. Because he believed the data was bad, he suggested a second opinion be obtained.

Ryan Lupkin

Mr. Lupkin was present representing the Holladay Pharmacy. He remarked that the property was found to be deficient in four areas. They were:

1. Defective character of physical construction.
2. Mixed character and shifting of uses resulting in obsolescence, deterioration, or dilapidation.
3. Economic deterioration or continued disuse.
4. Inadequate sanitation or public facilities, which may include streets, open spaces, and utilities.

Mr. Lupkin stated that the pharmacy had been in existence for four years and was completely rebuilt five years earlier. He had documentation proving that the building meets seismic code. He stated that they were blighted in four categories because their dumpsters are not enclosed. Mr. Springmeyer remarked that they are located in an area with inadequate streets and storm drainage. Mr. Lupkin stated that he found only one legitimate blight criteria, which would not be enough to blight the property. He commented that they were planning to enclose the dumpster the following Friday. They were never notified that that was City code. He asked that the findings be corrected and that Holladay Pharmacy be removed from the blight study. Mr. Springmeyer clarified that whether a property has one factor of blight or three, a determination was not being made property by property. They were making a determination as to whether there are three factors of blight widespread enough in the area to make the determination that it is a blighted area. There may be pieces of property that have no factors of blight related to them, however, they may still be included in the project area because the factors of blight are so prevalent around them that the area is qualified as a blighted area. Mr. Lupkin asked that Holladay Pharmacy be removed from the blighted segments shown.

Gene Thomas

Mr. Thomas reported that he owned property in Holladay Villa B. He considered enclosed dumpsters "rat hotels". He had found that dumpsters that are out in the open tend to get cleaned up more often and are kept cleaner overall.

Connie Hanks

Ms. Hanks asked when the blight study would be approved. Chairman Peterson stated that at the conclusion of the meeting, a determination would be made as to whether or not to accept the blight study. Ms. Hanks was unsure how a blight study could be supported if there is no plan available showing what will be done with the area. She was worried about the study and believed it would lower the property values within the blighted area. She found obvious inaccuracies in the study and challenged and opposed it. She asked that it not be adopted so quickly. On an issue of such importance, she thought the Mayor and the full Council should be present.

Mr. Springmeyer acknowledged that there was frequent concern that there would be a dark cloud of blight hanging over the project area and that property values would go down. He stated that that had not been his experience. His experience had been that for residences, there had been no impact at all, other than positive. When curb, gutter and sidewalk are put in, the value and overall look of the property is enhanced. Commercial properties are improved since most sophisticated real estate people know that within a redevelopment project area there are additional tools to accomplish things they couldn't otherwise.

Mr. Springmeyer addressed the owners of the Holladay Pharmacy. He felt they had a great facility and business. The records he took from the County assessor showed four buildings on the property and the effective year of 1990, which was what he used in making his assessments. On the structural portions, he looked at the effective years and made a determination as to whether they were built to current code. He agreed to take the evidence and make any necessary revisions.

Matthew Thomas

Mr. Thomas asked if the boundary for the project area had been changed. Mr. Springmeyer responded that it had not. The Board, however, could make boundary adjustments. Mr. Thomas was concerned that the boundary could be arbitrarily set to find blight. As a result, he saw no reason to use an RDA when other options are available.

Danette Kannelly

Ms. Kannelly had owned and operated her business for more than 20 years. She challenged the blight study and remarked that her sidewalk is not deficient as shown in the report. She remarked that her dumpster is not enclosed but it is kept clean. She thought another mistake was made with regard to inadequate storm drainage. She had never experienced a flood or seen puddles in the street. As to inadequate landscaping, she asked for a clear, printed definition of what kind of landscaping was required for a business. She asked for an explanation of parking backing the road and how a parking spot could be accessed if there is no access to the road. She thought the numbers had been inflated to get to the definition and result Mr. Springmeyer wanted. She viewed the results in the report as misleading, artificial, and false. Mr. Springmeyer agreed to revisit the sidewalk issue and stated that the City ordinance requires that dumpsters be enclosed. He explained that parking backing onto the highway involves backing out onto the road when exiting.

Gaylen Young

Mr. Young expressed concern with the blight area, the definition, and whether it will affect property values. He remarked that many residents within Holladay Villa were trying to sell their condominiums, but had been unable to find interested buyers because of the blight designation. He strongly objected to consideration of the blight study without further research.

d. Presentation by record owners of property located within the proposed Village Center Redevelopment Project Area or by the record property owner representatives, of evidence and testimony, including expert testimony, concerning the existence or nonexistence of blight.

There were no comments for this item.

e. Presentations by other interested persons or their representatives, including expert testimony, concerning the existence or nonexistence of blight.

Sharron Horsey, Chair of the Holladay Chamber of Commerce

Ms. Horsey remarked that with regard to the blight study, the Council made a statement on Thursday, May 19, that notices would be sent to those affected by the blight study area and those within 300 feet regarding a meeting to discuss the RDA. Certified letters were selectively sent out and did not go to all of those affected or to the Holladay Chamber of Commerce. She explained that the blight study impacts businesses and residents and the City has a responsibility to go beyond the legal requirement to inform people in circumstances such as these. She stated that the RDA had been one of the most controversial subjects since the incorporation of the City. She remarked that there were many discrepancies within the blight study that needed to be addressed. She asked that 30 days be given and that the Council not adopt the study tonight. She realized that the study needed to be adopted by July 1, however, she did not believe there was substantial evidence to support adopting the study.

Mr Feil explained that the purpose of the meeting was to have Mr. Springmeyer present the evidence of blight that he found in studying the area and that persons owning property would cross-examine him as to that testimony. Persons owning property in the project area would present their own evidence concerning the existence or non-existence of blight. He remarked that the process must be completed tonight. There was no need in the law to have a second opinion on blight. The purpose of the hearing was to bring out by cross-examination or evidence presented by property owners, the existence or non-existence of blight and any discrepancies. He explained that the blight findings did not have to be adopted by the Board by July 1. The only requirement was that the blight study be completed by July 1.

Candace Mousely-Tarkeshian

Ms. Mousely-Tarkeshian referred to page 18 of the blight findings and wondered if 49 of the 50 parcels were “conducive to crime”. Mr. Springmeyer responded that they exhibit conditions that may be conducive to higher levels of crime such as residential parcels not adequately buffered from current and potential commercial development, graffiti on the walls, insufficient off-street parking, inadequate or sidewalks in need of repair, abandoned, unlicensed, wrecked, or junk vehicles, open storage, open outside storage of used material, inadequate landscaping, and non-occupied residences. Ms. Mousely-Tarkeshian did not understand how sidewalks needing repair would be conducive to crime. She did not see why an RDA was necessary if the plan is in action and was the reason the Video Vern's property was purchased to begin with. Mr. Springmeyer stated that the RDA was one of the few tools the City has to generate revenue and to repair conditions that contribute to blight. He explained that cities don't build roads; instead, they accept roads that developers have built. Few cities have the capital budget necessary to rebuild them. Ms. Mousely-Tarkeshian didn't believe making a blight determination would help local businesses or citizens.

Brent Frank

Mr. Frank introduced himself as a concerned stakeholder in Holladay Pharmacy, Inc. He read a prepared statement which questioned the basis and accuracy of blight as adopted by the Board and as applied to the defined and designated area. Although such a finding was a necessary

condition to the pursuit of further action, he thought it must be factually supported. In his opinion, the determination was objectionable, challengeable, and factually unsupportable. He did not feel that public interest was served by the destruction of properties and businesses that have grown, developed, and loyally served the community. He believed that their very existence was at stake and their sacrifice would be a public travesty. Rather than destroying the lives and livelihoods of these committed citizens, he asked that the Board protect their dedicated service from outside, foreign interests. He thought public welfare would be better served by the preservation of the unique heritage of the community. He was concerned with the reluctance of the Council to fully disclose the plans and specifications of the proposed project. The perception of clandestine conduct did not promote faith and confidence in the undertaking. He stressed that the impact of the Board's decision would affect the lives and livelihoods of their constituents for years to come. He stated that the future and legacy of the City should be defined by the citizenry, business community, and entities that combine to make Holladay an exemplary community. All agreed that certain areas of the projected zone stood in need of improvement. He simply asked that it be done right.

Marilyn Oswald

Ms. Oswald and her family were the owners of the building that houses OrthoMed and the Clothes Horse. She expressed appreciation to the Board for explaining the process to the public. She was worried that her building doesn't meet seismic code because of its age. She recognized that there were modifications that could be made to improve the building's appearance.

Al Rounds

Mr. Rounds recognized that there had been upgrades made to his building recently and suggested that the blight study results be updated. He asked if it had been determined that the blight finding was the only option. Mr. Springmeyer responded that it was not. Another option was utilizing a special service district. He suspected that if the Holladay Village area was to achieve what most want it to, it would require the use of various tools and cooperation from everyone involved. He explained that the finding of blight was one of the necessary conditions for the Redevelopment Agency to capture tax increment. If the Board decided not to make a finding of blight, it would eliminate the ability of the City to capture tax increment until a possible future time when the Legislature allows cities to establish redevelopment project areas again. The end result would be that the ability to collect any tax increment to be used to pay for road improvements, curb, gutter, and sidewalk improvements, or any other public infrastructure would not be available. Mr. Feil commented that the formation of a special improvement district was a possibility, however, assessments would be made to the property owners to pay for the improvements. Mr. Rounds expressed concern with the impact redevelopment would have on his business. Chairman Peterson explained that the thing that was most intrusive relative to business operations were streetscape changes.

Sharon Horsey, Chair of the Holladay Chamber of Commerce

Ms. Horsey read from a letter submitted by Sam Frampton. Mr. Frampton expressed his objection to the blight study being conducted and to declaring the Holladay Village Center a blighted area. The blight study to him, seemed to be a justification of a desired conclusion more than identifying serious problems. He requested that his property not be included in the RDA project area.

Matthew Thomas

Mr. Thomas stated that many of those present object to an RDA because they don't understand exactly what it does. He understood that tax rates would not increase as a result of the RDA but asked how additional tax revenue would be captured. Mr. Springmeyer explained that the increase in tax revenues due to projected new or improved buildings would be used to improve the area and eliminate the blighting conditions. Improvements could be made in anticipation of the increased tax revenue. Most likely the projected funds would be borrowed using bond investors. He explained that it was a way the Legislature had established to deal with impediments to growth and development. As improvements are made, tax rates would remain the same, tax revenues would increase. The difference involves who receives those increased tax monies.

Lynn Felton

Mr. Felton admired what Mr. Springmeyer had done but suggested that many areas in the State could also be given a blight categorization as well. He understood that it was a tool of government to generate more incremental taxes. He was unsure that residents want bigger, better, and greater buildings. He was concerned that the Council would consider approving the blight study before it is corrected. He thought good evidence had been presented that corrections may be in order.

Gene Thomas

Mr. Thomas had heard earlier that a speculated amount of money could be borrowed to make the improvements. If the project were to fail, he asked who would be stuck with the bill. Chairman Peterson responded that money would not be borrowed on speculation. Once development begins, an income stream would be established that would give a good indication that taxes would be received and that the bond payments could be paid.

Lew Mousely

Ms. Mousely remarked that there were numerous inconsistencies in Mr. Springmeyer's study and that there were several items requiring reconsideration. As a result, he suggested the blight study be voted down and a second opinion obtained.

IX. *Motion to Close Blight Hearing.*

Board Member Pace moved to close the public hearing. Board Member Diederich seconded the motion. The Agency Board roll call vote was as follows: Board Members Diederich, Pace, Orton, and Peterson voted in favor of the motion. The public hearing was closed.

X. *Summary by Randall Feil, Agency Board Question Period, and Consideration by Agency Board of the Issue of Blight and of the Evidence and Information Relating to the Existence or Nonexistence of Blight.*

Mr. Feil explained that the next step for the Board to consider was the public hearing summary of findings and supporting documents for the Village Center Redevelopment Project Area. The Board was required to consider all of the written and oral objections received, consider the evidence presented by Mr. Springmeyer, the cross-examination, and the evidence that was presented by other property owners. A determination should then be made as to whether or not

findings A through D in the document were supported by the evidence and documents presented.

Board Member Pace expressed appreciation to the members of the public in attendance. Given the changes that occurred in the last Legislative session, State law requires that in order to pursue an RDA project in a primarily retail area, a map must be adopted by February 15 and the blight study completed by July 1. The reason for tonight's meeting was an attempt to meet the July 1 deadline. In reading the statute, he found that it does not require that the blight study be 100% accurate, it simply must be finished. He clarified that there was a difference between declaring it completed and adopting it. He was not prepared to agree with the blight study tonight, however, he was prepared to say that Mr. Springmeyer had completed the study. The Board could then take its time evaluating the study without the threat of the State deadline.

Board Member Pace moved to adopt a resolution acknowledging completion of the blight study.
Board Member Orton seconded the motion.

Board Member Pace reiterated that the motion was simply to indicate that the blight study had been completed; not that it was 100% accurate. The distinction was made because he had serious questions about whether or not the project ought to proceed, and if so, how. He wanted to preserve the Board's options by declaring the blight study complete and then further examine the issues discussed. He believed the following should be discussed and decided upon prior to developing a plan:

1. To include or exclude residential property.
2. To preserve the right to use eminent domain if it is given back by the State.
3. Establishment of street design.
4. Determine in a more definite way what kind of development is desired in the village center.
5. Decide how the Video Vern's property will be marketed and redeveloped.

He thought the decision was too important to be made by the four members of the Council alone. With the upcoming election in the fall, he thought the public was entitled to know where the Mayor stands on the issue. He recommended that all other items on the agenda be continued until the July 21 meeting at 7:00 p.m.

Board Member Orton felt strongly that the Board should try to do what is best for the community. What the Board was trying to do in his mind was accomplish an improvement in the City's economic base without increasing taxes. The way that would be done would be by taking advantage of the tax increment. If an SID were established, it would impose additional taxes on property owners. It was his desire to do that without increased taxation. He also emphasized that the RDA is a tool provided by the Legislature. While it is not a perfect tool, the legislative definition of blight is a pure, legalistic determination to allow the City to take advantage of tax increment financing. Studies had shown that the City could anticipate as much as 10 times the revenue stream currently experienced without changing any taxes. It would give the City the ability to help its merchants and property owners within the area.

Board Member Diederich agreed with the motion but suggested that language be added indicating that the study must be updated and corrected based on the evidence and testimonies heard.

Chairman Peterson referred to page 13 of Senate Bill 184 and asked for a definition of “completed”. Board Member Orton clarified that the intent of his motion was not to accept or adopt the blight study, but simply to acknowledge that the task was finished. Chairman Peterson was uncomfortable changing the language in the resolution other than to use the word completed.

Mr. Feil advised the Board to meet the July 1 deadline by having any changes to the blight study completed before then. The Board could also choose to change the blight findings to reflect what they feel the evidence was that was presented. He clarified that when the Board adopts the findings of blight, they are not adopting the blight study. The study would simply be taken into account when the Board makes its own set of findings.

Board Member Diederich wanted assurance that the study would be updated and added to the motion. Bob Springmeyer assured the Board that he would make the changes necessary to reflect the testimony received. He agreed to make the changes by the following day.

Board Member Diederich moved to amend the motion to add the following:

1. It has received the Holladay Village Center Redevelopment Blight Survey dated May 18, 2005; and
2. It has heard and received public input and comment which will be evaluated by the Board of Directors in further deliberations; and
3. The blight study is completed as of June 29, 2005.

The amendment was seconded by Board Member Orton.

The Agency Board roll call vote was as follows: Board Members Diederich, Pace, Orton, and Peterson voted in favor of the motion.

Board Member Orton moved that the remaining items on the agenda be continued until July 21 at 7:00 p.m. Board Member Diederich seconded the motion. The Agency Board roll call vote was as follows: Board Members Diederich, Pace, Orton, and Peterson voted in favor of the motion.

XI. *Consideration and Adoption of Findings of Blight, if any, by the Agency Board.*

The above item was continued.

XII. *Consideration and Adoption of Resolution RDA 05-11 Making a Finding Regarding the Existence of Blight in the Proposed Village Center Redevelopment Project Area.*

The above item was continued.

XIII. *Consideration and Adoption of Resolution RDA 05-12 Selecting One or More Redevelopment Project Areas Comprising Part or All of the Survey Area.*

The above item was continued.

XIV. *Other Agency Business.*

The above item was continued.

XV. Motion to Adjourn.

There being no further business Board Member Pace moved to adjourn. Board Member Orton seconded the motion. The RDA meeting adjourned at 10:50 p.m.

I hereby certify that the foregoing represents a true, accurate and complete record of the Holladay City Redevelopment Agency meeting held Wednesday, June 29, 2005.

Stephanie N. Carlson, CMC
City Recorder

Steven R. Peterson, Chairman

Minutes approved: 1-19-06