

**MINUTES OF THE  
TAXING ENTITY COMMITTEE FOR  
THE REDEVELOPMENT AGENCY OF THE CITY OF HOLLADAY  
  
COTTONWOOD MALL REDEVELOPMENT PROJECT AREA**

**Tuesday, November 28, 2007 B10:30am  
Holladay City Hall – Mt Olympus Room  
4580 S 2300 E  
Holladay UT 84117**

**1. Welcome**

Chairman Peterson called the meeting to order at 10:42am and welcomed those in attendance. He thanked everyone for taking time to be here.

**2. Roll Call**

Stephanie Carlson did a roll call of all those present. Steve Peterson, Grant Orton, Emily Farmer, Katie McCarthy, Neil Cox, Larry Newton, Cathy Dudley, GayLeen Gandy, Kieth Bradshaw, Dennis Webb and Randy Fitts. Others in attendance included Randy Feil, Kris Longson, and Cathy McCitrick

**3. Review of Proposed Budget**

Chairman Peterson explained that the Granite Board met last night (12-27-07) to discuss this RDA project but did not make a decision on the budget or the findings of blight so this committee will not be voting on any issues today. This meeting will be to help answer any questions about the budget and project. He passed out to the committee the presentation that was made to the Granite School Board.

GayLeen Gandy stated that the Board had not yet received Mr. Topham's second letter. She felt that the City did a good job last night of addressing the issues but the Board is still not familiar with this process. They all feel it is a good project but the underlying question is "is this a sound financial decision for the children?" Other issues are the "but for.." test and the 20 year commitment. Ms. Gandy asked if there was a Plan B and if this project would go forward without the School District (e.g. Real stadium).

Kris Longson from General Growth agreed that the amount of money is huge, but the infrastructure costs alone to bring this site into a buildable condition are around \$70 million. Without the help with infrastructure, we cannot build this project. General Growth wants to make a big statement with this development.

Larry Newton commented that the size of this project and the amount of money is mammoth. This is the largest project he has seen in over 20 years. The criteria he looks at is the size and the duration but his major concern is the "but for" test. The amount of residential development in this project is another

concern. Mr. Newton continued to say that General Growth may have to scale back the project, but feels they will do something with the site or sell it. Granite District also has aging facilities and problems with keeping up their own infrastructure needs. There is also the concern of a split from the school district, which he feels would be a big mistake because the economies of scale of a large school district allow many more instructional specialty programs to be offered that may not survive when a large district like Granite splits. Mr. Newton's main concerns for this project are the size, duration, the amount of public money going into private dwellings and the "but for" question.

Ms Gandy agrees that this site will not sit dark. Is this project really the best thing or is there something else? She needs to be absolutely certain she can justify to her constituents that it makes sense financially.

Mr. Longson reiterated that the school district will get a 500% increase in property tax revenue over what they are receiving today. General Growth has been working on this property for 10 years and this specific plan for three years and they will not develop the project without the money. General Growth does not sell properties, they acquire them. This cannot be a regional mall due to its location, so mixed use is the best thing for this site. Demolition will continue on the site because General Growth does not want to pay taxes, therefore taxes will go down. Mr. Longson continued to say that this company is long term owners. "We build, invest and are in it for the long term." He is committed to the project not only as part of General Growth but as a Holladay resident. General Growth will get single digit returns on this project compared to the taxing entities getting a 500% return.

Mr. Newton replied that he has a hard time understanding a blanket policy of a company that does not ever sell property.

Mayor Webb stated that he was discouraged. The City has been involved with the project for two years. This committee either trusts General Growth or they don't and that is the bottom line. The citizens of Holladay will be disappointed if this fails because there will not be another company that is willing to invest a half-a-billion dollars in the community. Take what time you need to get your questions answered and to feel comfortable because this is the best shot we have.

Grant Orton commented that we all need to look at the vision. The investment in the infrastructure has been an issue since the city incorporated eight years ago. In just the last six months since the announcement we have seen a halo effect in the surrounding area.

Ms. Gandy stated that the City and Mr. Longson have done a good job of explaining the project but the emphasis has been on how good it is for Holladay. There needs to be more emphasis on the financial aspects. The Board does not understand tax increment financing and the terminology that goes along with RDA's; they need to be educated more. More time needs to be spent with the Board on a one-on-one or so basis.

Emily Farmer stated Mayor Corroon is supportive of the project but is concerned with the lack of affordable housing and he would like to see that addressed.

Katie McCarthy stated that the County Council is mixed on this project. She needs to spend more time with them reviewing the project and numbers, but the “but for” test is an issue. Some council members expressed concern that the mall is in its current state because General Growth didn’t keep it up and that there are things that could have been done to mitigate the existing deterioration of the mall.

Randy Feil commented that there are problems with various malls in general, just read the paper and look around. He feels the “but for” test has been strongly explained and satisfied.

Royce VanTassell – Utah Taxpayers Assoc. They have serious concern on what is being proposed. Trusting the developers is not quite that simple. Their concerns are 1. There is no reason to believe that housing and retail would not happen someplace else without taxpayer dollars. Retail and housing go where the people are. There are serious questions about the size also. 2. They are worried about a district split and what happens to Granite District if that happens. 3. Difficult to understand why high-end condos need to be subsidized by students on the west side. The Taxpayers Association urges that this RDA not be approved.

Mr. Longson commented that there will be new retailers who will come to this project that would not come to Utah.

Mr. Feil stated that good projects increase the tax base and that is what we are trying to do.

#### **4. Other Matters of Business**

There was no other business.

#### **6. Adjournment**

Larry Newton moved to adjourn. Grant Orton seconded the motion. The Committee voted unanimously in the affirmative and the meeting adjourned at Noon.

*I hereby certify that the foregoing represents a true, accurate and complete record of the Taxing Entity Committee meeting held November 28, 2007.*

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Stephanie N. Carlson, CMC

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Steven R. Peterson, Chair

Committee Secretary