

1. Informational: Disposition Update for Property at 167-169 South Regent Street

The Board will receive a written briefing about plans for the disposition of the properties at 167 – 169 South Regent Street in the Central Business District and Block 70 Project Areas. The properties are anticipated to be assembled with adjacent properties for a condominium residential tower development.



SALT LAKE CITY TRANSMITTAL - RDA

To:
Salt Lake City Redevelopment Agency Chair

Start Date:
07/26/2024

Date Sent to RDA Board:
07/29/2024

From:

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Department
Redevelopment Agency

Mayor's Office Leadership *

Jill Love

Mayor's Signed Date
07/29/2024

Subject:
Disposition Update for RDA-Owned Property at 167-169 Regent Street

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Presenters/Staff Table

Document Type *
Written Briefing

Budget Impact *
☐ Yes
☒ No

Budget Impact:

Recommendation: *
None

Background/Discussion

This memorandum provides a written briefing on disposition plans for a collection of three (3) parcels totaling .13 acres of Tier 2 property located at 167-169 S. Regent Street in the Central Business District and Block 70 Project Areas.

Will the RDA Board need to hold a public hearing for this item? *

☐ Yes
☒ No

Public Process

Mayor's Comments

Attachment(s)

BOD Written Briefing Regent St Final 7.26.24.pdf

448.86KB



REDEVELOPMENT AGENCY *of* SALT LAKE CITY

REDEVELOPMENT AGENCY STAFF MEMO

DATE: July 26, 2024

PREPARED BY: Marcus Lee, Project Coordinator
Cara Lindsley, Deputy Director

RE: Disposition Update for RDA-owned Property at 167-169 S. Regent Street

REQUESTED ACTION: Written Briefing

POLICY ITEM: Property disposition

BUDGET IMPACTS: N/A

EXECUTIVE SUMMARY: This memorandum provides a written briefing on disposition plans for a collection of three (3) parcels totaling .13 acres of Tier 2 property located at 167-169 S. Regent Street in the Central Business District and Block 70 Project Areas.

ANALYSIS & ISSUES:

Dakota Pacific Real Estate owns parcels to the north and south of RDA-owned property (165 S. Regent Street and 45 E. 200 South, respectively) and previously had an Option to Purchase Agreement (“Option”) for the adjacent RDA owned parcels (167-169 S. Regent Street). The locations of the parcels are shown in Attachment A. With the expiration of the Option, Dakota Pacific has decided to market their property rather than continue with development.

CW Urban is pursuing acquisition of the Dakota Pacific properties and is interested in executing a new Option for the RDA parcels. RDA staff have been working with CW Urban since May 2024 regarding redevelopment of the site, as the RDA’s three parcels are adjacent to the property CW Urban is interested in acquiring, and assembling the properties would significantly improve the site’s developability. Pursuant to RDA Resolution R-6-2021 Section 5(b)(ii), the RDA can exclusively negotiate with adjacent property owners to facilitate redevelopment objectives, which in this case include diversifying downtown housing stock with new construction, for-sale condominiums; developing homeownership opportunities; supporting an active street environment on Regent Street and near the Eccles Theater; and increasing the vibrancy and economic health of downtown Salt Lake City.

Property's Reuse Plan:

CW Urban has proposed to develop a 16-17 story condominium residential tower with an activated ground floor retail space, associated off-street parking, and for-sale residential units on the site that includes the RDA owned properties and the properties CW Urban will acquire from Dakota Pacific. In consideration of the redevelopment goals for the property, the sale of the property would be conditioned on the recordation of a restrictive use agreement prior to closing that includes the following requirements:

- The majority of the building must be residential uses and all residential units shall be individually platted and sold as condominium units. A minimum of 50% of the total units must be owner-occupied and all units may not be offered as short-term rentals (i.e., under 30 consecutive days). The units shall be maintained as for-sale condominiums in perpetuity, and a single owner shall not own more than five units at one time;
- Developer agrees that the future development of the property must comply with the minimum required building height of 100 feet in the D-1 zoning district, per the Salt Lake City Zoning Ordinance. Developer shall not seek an exception to this requirement;
- The ground floor spaces on 200 South and/or Regent Street must be occupied by pedestrian-oriented uses, which may include a residential lobby area, and must also include sales-tax generating retail uses, or other publicly accessible neighborhood-serving uses. There shall be no trash collection or other back-of-house activities on the site's 200 South and/or Regent Street frontage, and;
- Developer may request the removal of the for-sale and 50% owner occupied requirements in exchange for the payment of a \$3,000,000 fee, which would be made to RDA and placed into a fund that supports affordable housing development in Salt Lake City.

Method of Disposition and Disposition Price:

The RDA is exclusively negotiating with CW Urban, an adjacent property owner, to sell the RDA's property for the fair market value (FMV) of \$1,130,000 to facilitate redevelopment objectives for the CBD Project Area. This purchase price is based on a recent appraisal; the RDA will require an updated appraisal if CW Urban requests an extension of the Option past the one-year term of the agreement. The RDA will not close on this disposition until CW Urban has acquired the necessary financing and permits required to move forward with the project.

Estimated Timeline of Disposition:

The RDA estimates the schedule of disposition for the Property will be as follows:

- Execute Option to Purchase Agreement with CW Urban: August 2024
- CW Urban's Anticipated Closing on Dakota Pacific Parcels: September 2024
- CW Urban's Anticipated Closing on RDA Parcels/Option Expiration Date: September 10, 2025

Other Information Relevant to Disposition of the Property:

The current value of the land at FMV is \$195.30 per square foot. The RDA has negotiated a term in the Option that would allow CW Urban to request the removal of the for-sale and owner-occupancy requirements in exchange for a \$3,000,000 payment to the RDA, which would go towards an affordable housing fund of the RDA's choosing. With the current FMV of \$1,130,000, the \$3,000,000 waiver fee would raise the price of the land to \$713.79/square foot.

PREVIOUS BOARD ACTION:

- 2013: Purchase of the 167-169 South Regent Street property as part of the assemblage to support construction of the Eccles Theater.
- January 2015: Approval of Regent Street Urban Design Guidelines
- June 2015: Approval of Term Sheet for the Option to Purchase Agreement with Form Development for the 167-169 Regent Street property, that also included provisions under which the RDA could acquire the 200 South Property.
- August 2015: Approval of modification to Terms of the Option to Purchase Agreement with Form Development for the 167-169 Regent Street property, authorizing the allocation of funding for the purchase of the property located at 45 East 200 South.

ATTACHMENT:

- A. Site Location and Property Ownership

Attachment A

Site Location and Property Ownership