

OLYMPIA WORKING GROUP SUMMARY MASTER DEVELOPMENT AGREEMENT

Date: August 26, 2021

Time: 9:00 a.m. – 1:00 p.m.

Attendees: Steven Shields, Clint Smith, Nathan Cherpeski, Tami Moody, Chase Andrizzi, Blake Thomas, Michael Maloy, Olympia Development Team

This purpose of this meeting was to discuss and resolve items and concerns in the master development agreement (MDA).

The first discussion item related to approval processes for development applications. The MDA has included the creation of an independent review committee (IRC) to handle approvals for administrative items that the Planning Commission has no legislative discretion over, such as the approval of a subdivision. The expressed concern from the City Council is whether the IRC bypasses public processes that should go to the Planning Commission. There was an expressed frustration about items that appear before the Planning Commission that they do not have statutory authority to deny. To help resolve this, a place for an exhibit is reserved in the MDA for a matrix that describes which applications the Planning Commission *must* see versus others that can be approved administratively (for which the Commission has no authority to deny). The group discussed letting the City Council analyze that matrix and decide if/what application types they would still like to go before the Planning Commission. An idea was also brought up that IRC meetings could be publicly observable to increase transparency and make information available to the public. A proposal will be drafted over the weekend and presented to the group next week.

The group talked about a concern the City Council has voiced about reallocating units that are replaced by churches and schools. The group pointed out that the City's previous MDAs' unit entitlements centered around units-per-acre density without a specific overall total allotment. In these scenarios, if certain residential unit density for a piece of land was used instead for churches or schools, the density tied to those acres could be transferred to another property, increasing the other property's previously approved density. The group acknowledged that scenario does not apply to Olympia because the project's unit allocation is a sum total across the whole project rather than a per-acre density allocation. Different types of land uses (Neighborhood, Village, Town Center) have acceptable ranges of density with a maximum cap. If property is used for churches or schools, residential units would not be lost because the property itself is not tied to a density. The project can include 6,330 units, regardless of where they are located (given that individual land use types don't exceed their maximum density).

That discussion led into another point that the City Council has identified as a concern: ensuring that planned commercial centers are used for commercial purposes. The group acknowledged that the best viable place for retail uses is the intersection of realigned U-111 and 12600 South. Both

of those roads are UDOT-controlled, and while the alignment is likely and expected to be constructed in the planned location, it is possible that the roads are moved by UDOT elsewhere, and even off the project. The group discussed providing in the MDA a provision for a certain amount of acreage (the amount will be worked on and proposed next week) around the U-111/12600 intersection to be preserved for a certain amount of time for commercial and vertical mixed-use land uses. The group noted this strategy has been used before by the City for other projects. The group feels that forcing commercial to be paced with residential development invites failure if the commercial area isn't supported by enough residential units. The Olympia team again noted they desire quality commercial development within the project—and that the project will not succeed without commercial—as it helps to increase the value of the area and improve the community's quality. To acknowledge the moving parts and limited control, it was suggested to include in the MDA that the commercial requirement be re-negotiated if the UDOT roads are moved offsite, and that both the developer and City will use lobbying efforts to get those roads in Olympia as planned. It was also suggested to add in the MDA that neither churches nor schools qualify as uses for commercial or open space. This item will be discussed more in next week's meeting.

The group briefly discussed accessory dwelling units (ADUs). The developer wants to allow ADUs within the community to help benefit end users and help with affordable housing, noting that affordable housing was a key issue for Salt Lake County. ADUs would not be sold by the developer, so they wouldn't count against the overall unit allocation. The City Council will visit the item in an upcoming City Council meeting to address the City's approach to ADUs. The Olympia team noted they don't want to include any extra ADU clause in the MDA but would prefer to follow whatever Herriman City adopts as an ordinance.

The group then discussed a quid pro quo clause in the MDA. The City Council has expressed frustration that they feel the City hasn't previously benefitted proportionally from MDA amendment requests. The group suggested including in the Olympia MDA a list of items that the City would consider for quid pro quo. The group felt including this list of considerations will help preserve institutional knowledge and context years down the road if/when amendments are made. The MDA also already includes a clause (3.4.8) that the developer will agree to any changes in City regulations or policies that don't materially increase costs or decrease units.

The next topic of discussion was the MDA term of agreement. The City Council wants to ensure that Olympia is being actively constructed and if the economy recesses or the project fails, that the development isn't permanently entitled while the project remains partially completed. Another factor of the City Council's concern is that the longer a project goes, the more it can tend to diverge from its original plan. The MDA draft has the agreement lasting 24 years, with an option for another 10 years if the project complies. After discussion, the group agreed on drafting language that the vested rights continue for the project as long as the project is being developed to its completion with commercially reasonable diligence, and if the City does not agree with how it's being executed, there is a dispute resolution. That dispute provision would not apply for phases for which public infrastructure districts (PIDs) are approved. The group agreed that the City is

protected in that the project is forced to keep moving forward, and the developer is protected in that 1) PIDs can still be sold and approved with a reasonable timeline and 2) during times of economic recession, the project should be built appropriately coinciding with market demands (“commercially reasonable”).

The group talked about the number and mix of units (6,330) entitled by Salt Lake County. The City Council has wished to have stated in the MDA the reason why Herriman City would consider approving the MDA when the housing proportion of single-family versus multi-family does not match the rest of the city. The developer has noted they do not wish to decrease the unit count in an MDA with the City. Additionally, the group acknowledged it is late in this process to change the number of units, as all the impact plans and analyses are being updated based on the 6,330 count. The group discussed adding in the MDA recitals the consideration the City has had for this annexation process—that since/even though it is already entitled by the County, the City has opportunity to benefit, and why annexation makes sense from the City’s point of view. Those items will be added in coming days to the MDA.

The group discussed the park on the southern edge of Olympia that mirrors a planned park to be built by Ivory Homes. In a previous meeting, the developer responded to the City’s request to match the park that is in the Ivory development and essentially match on Olympia’s side to make it a bigger park. In that meeting, the idea had been suggested that Olympia could contribute funds to the park. In this meeting, the Olympia team suggested that the City could construct the park on the Olympia side, but that Olympia would donate the land and construct/fund stormwater improvements underneath the park. A provision will be added in the MDA to allow that open space to be located elsewhere in Olympia if the Ivory park is not ultimately constructed in the planned location.

6400 West was briefly discussed. The developer asked to include some way for the City to be financially involved in constructing 6400 West between 12600 South and Blackhawk. In a previous meeting, the developer had noted that one of the enticements to work with Herriman City was an understanding that the City was already planning to fund and build that portion of roadway. Some options will be listed over the weekend and discussed in the next meeting.

Open space distribution was the next topic, addressing a request from the City Council that larger amounts of open space be provided closer to areas with higher density to relieve pressure from the denser uses. The Salt Lake County MDA had a requirement that all residential units be within ¼ mile from a park. Herriman City has generally disfavored that requirement out of a concern that it invites too many parks that are too small. However, the group noted that the community can increase its quality with an abundance of parks. Noting the concern of too many pocket parks, the development team proposed to have a park within ¼ mile of every residential unit *and* a 2+ acre park within ½ mile of each unit. The group generally agreed this may be a good approach but would like to consider it further in its next meeting when Wendy Thomas returns. It was also suggested to include in the MDA recitals that Olympia offers a high level of park service than the City requires. It was also suggested to include in the recitals that the developer has already

conceded that 100 acres granted to Utah State University will not count as open space as it did in the County MDA. A general park plan will be included as an exhibit in the MDA.

The last item of discussion was the water tank to be constructed in Olympia's early stages. The project requires a one-million-gallon tank, and the City has requested 1.5 million more gallons of capacity and has agreed to cover the upsize cost. However, the group acknowledged that there isn't a concrete plan for the City to fund the upsize. The group discussed including in the MDA the available options for the City to pay for or accept in-kind payment to offset the cost. Statutorily, the City does not have to charge Olympia for offsite requirements, though the developer has agreed to pay a proportional share, either in cash or in-kind projects that the City agrees to. To illustrate this situation in the case of the water tank, the developer could cover the entire cost of the upsized water tank because the City does not have the funds for it, and in return, the City could credit the developer for an equal dollar amount of offsite impacts stemming from Olympia. This portion of the MDA will be further considered and revisited in the next meeting.