

OLYMPIA WORKING GROUP SUMMARY MASTER DEVELOPMENT AGREEMENT

Date: August 31, 2021

Time: 3:00 p.m. – 6:00 p.m.

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

This purpose of this meeting was to further discuss and resolve items and concerns in the master development agreement (MDA). The four key items discussed were offsite impacts, commercial requirements, processing of applications, and open space.

The first item of discussion related to offsite impacts and payment methods for those impacts. The group verified that a proper trigger for payment would be 60 days after the impact is realized. Previously, some language had said impact would be paid for 60 days after a transportation impact study (TIS) identified an impact, but the group noted that a TIS could be completed years before associated housing units and supporting infrastructure are built. The TIS will help determine bonding need for an individual public infrastructure district (PID), which will be the funding mechanism for infrastructure (TIS before PID, PID gives funding for projects and impact payments). The group suggested including that the City can determine when impacts are realized, and use a dispute resolution provision if the two parties disagree.

Regarding upsizing of public infrastructure—for example, the City wishes to increase the size of the first water tank in the project beyond that which is required—the group suggested including a line that the City and developer could work together to offset costs for the upsize project.

The group discussed a concern related to the offsetting of impact and/or project costs and how those costs/credits change over time. The advantage of offsetting costs would be that, in the example of the water tank, the City gets the upsized water tank without having to reallocate funds on the front end that weren't already planning on being used, and the developer can be credited for an equal cost for an offsite project later. This idea stemmed in part from an acknowledgement that developers can be frustrated when the City takes several or many years to reimburse a required project. The discussed concern with this method related to inflation, that, for example, \$1 million in 2021 isn't worth as much in 2031. The group discussed the idea of including a table of time-value for money and an inflation rate with a corresponding interest rate. The group noted that the problem can go both directions—that depending on which way the money is being credited/debited, one side could be at a disadvantage. The group suggested including a table with a base year (likely 2021, since that is the base year for the Hales TIS) and an inflation/interest rate stemming from that year. The item will be discussed again in a future meeting.

The next major discussion point was commercial area. The group acknowledged a concern from the City that it wants to assure that commercial area is actually used for commercial and that the project ultimately is developed as close as possible to the presented plan. It also acknowledged that the planned large retail commercial center depends completely on the intersection of 12600 South and realigned U-111 occurring inside Olympia. If the intersection is moved by UDOT outside of the project, then a retail center and the planned total of commercial area becomes much less viable. To compromise the two issues, the group discussed using a requirement to preserve commercial space—in leasable square feet rather than acres—for a long period of time, such as 15-20 years. If at that point the commercial is not viable and remains undeveloped, the required preservation would decrease but not be eliminated. The group discussed that this commercial preservation concept could apply to both the large retail center at the main intersection as well as smaller commercial uses throughout the rest of the project—e.g., start with a required preservation area, and any neighborhood-type commercial throughout the project would count toward the overall requirement.

The group then discussed including hospitals to count toward the commercial requirement. The group noted that one of the goals of commercial use is to build community centers and employment centers (not just commercial sales), and that hospitals accomplish that employment center purpose. Public safety and civic uses were suggested to be allowable as well. The group will work to identify an amount of commercial square footage that accomplishes the goal of having as much realistically achievable commercial space as possible.

The processing of applications was the next discussion point. The group talked about having applications that affect any residents (i.e., any number more than zero) living in the area go through a public process—be it through the City Council or Planning Commission—to allow for public comment to be heard. For applications for undeveloped land that don't affect any adjacent residents, the applications would be administratively approved on a simple compliance basis. The group also discussed conditional use applications, suggesting having initial conditional use applications being approved administratively, while any change to the initially approved use would be subject to a public process. The group also discussed having site plan applications for development next to any approved residential areas (other than apartments) to go through the Planning Commission. The City Administrator will be listed as “City Manager or Designee.”

Open space was the final discussion item. The group discussed an idea (introduced in its previous meeting) of keeping the requirement for a park space within $\frac{1}{4}$ mile of every home *and* a $\frac{1}{2}$ mile distance to a 2+ acre park (parks more than 2 acres will be taken over by the City). A concern was brought up about balancing the desire for bigger, better parks while being careful about ongoing maintenance costs. It was mentioned that consolidating medium-sized parks into fewer larger parks helps reduce maintenance costs. It was mentioned that the proposed long, narrow open space areas with trails are cheaper to maintain. It was also noted that the Salt Lake County MDA doesn't require a 50-acre block park, but could spread that acreage out with a lot of trails and other smaller park areas.

Another open space item discussed was ensuring park amenities are proportional to park size, e.g., not having a 2-acre park with only a barbeque and some benches. The group discussed creating a list of major and minor park amenities. Parks of smaller and larger sizes would be required to have a certain proportional number of those major or minor amenities, based on the park's overall size. That table will be considered and drafted in coming days.