



MURRAY CITY REDEVELOPMENT AGENCY

BOARD OF DIRECTORS

NOTICE OF MEETING AND AGENDA

January 17, 2023

04:00 PM

5025 S State Street

Any member of public may view the meeting via the live stream at www.murraycitylive.com or <https://www.facebook.com/Murraycityutah/>.

Public Comments can be made in person during the meeting or may be submitted by sending an email (including your name and address) to: rda@murray.utah.gov

All comments are limited to 3 minutes or less and email comments will be read into the meeting record.

CALL MEETING TO ORDER

BUSINESS ITEM(S)

1. Approval of Minutes - December 6, 2022, Jared Hall

Attachments

1. RDA 12.06.22.pdf

2. Public Comment, Jared Hall

PUBLIC HEARINGS

Staff, sponsor presentations, and public comment will be given prior to Council action on the following matter.

3. Presentation and discussion related to the sale of real property, Jared Hall

- 5025 South State Street (existing City Hall site)

- 4886 South Poplar Street (historic Murray Chapel site)

Attachments

1. Redevelopment Presentation 2_PRINT.pdf

ANNOUNCEMENTS AND QUESTIONS

ADJOURNMENT

The next scheduled meeting will be held on **Tuesday, February 21, 2023 in the Murray City Council Chambers at 5025 South State Street, Murray, Utah.**

Special Accommodations for the hearing or visually impaired will be made upon a request to the office of Murray City Recorder (801-264-2662). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

Committee members may participate in the meeting via telephonic communication. If a Committee

member does participate via telephonic communication, the Committee member will be on speakerphone. The speakerphone will be amplified so that the other Committee members and all other persons present will be able to hear all discussions.

At least 24 hours prior to the meeting, a copy of the foregoing notice was sent to the City Recorder to post in conspicuous view in the front foyer of the Murray City Center, Murray, Utah. A copy of this notice was also posted on Murray City's internet website www.murray.utah.gov and the state noticing website at <http://pmn.utah.gov>.

~ DRAFT ~

The Redevelopment Agency (RDA) of Murray City met, in closed session, on Tuesday, December 6, 2022 at 2:00p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Members of the public were able to view the meeting via the live stream at <http://www.murraycitylive.com/> or <https://www.facebook.com/Murraycityutah/>. Public comments could be made in person or by submitting comments via email at: rda@murray.utah.gov. Comments were limited to 3 minutes or less, and written comments were read into the meeting record.

RDA Board Members

Diane Turner, Chair
Garry Hrechkosy
Pam Cotter
Rosalba Dominguez
Kat Martinez

Others in Attendance

Brett Hales, RDA Executive Director
G.L. Critchfield, City Attorney
Jared Hall, Community & Economic Dev.
Brooke Smith, RDA Secretary
Doug Hill, Mayor's office
Orden Yost
Rebekah Adamson, Community & Economic Dev.
Abigail Jacobsen, Community & Economic Dev.
Members of the public, as shown on sign-in sheet

APPROVAL OF MINUTES

September 6, 2022 and September 20, 2022

CITIZEN COMMENTS

Mr. Hall read an email from Jamie M. Peterson expressing her desire for Murray City Hall to become a senior center or arts center. She said that she is concerned about the impact of noise and traffic, as well as on the school.

Rachel Marot, resident representing Historic Murray First Foundation, starting a campaign to save Murray City Hall. She says that Murray can't afford to lose more landmarks. Citizens want a more attractive city with less high-rise developments. They will try to keep that building and want the council to work with their group.

Janice Strobell, resident spoke. She started by stating it would make more sense to have public comment after the presentations. She spoke about the identity of Murray's downtown, and revised ordinances. She wants the city to wait to make big decisions until the revised ordinances are put into place.

Amy Thomas, resident on the board for Historic Murray First Foundation, spoke about the importance of sustainability and protecting existing buildings to preserve air and water. She feels keeping the Murray City Hall in place will keep the old materials from going into the landfill.

Viki Snow, resident, spoke next. She echoed Amy Thomas' sentiments.

ACTION ITEM

Consider a resolution from the RDA Executive Director to adopt the RDA meeting schedule for

2023 – Jared Hall. None of the board members had any concerns about the dates. A motion was made by Mr. Hrechkosy to adopt a resolution to authorize the meeting dates for 2023. Ms. Dominguez seconded the motion. Roll Call Vote:

Y Diane Turner
Y Garry Hrechkosy
Y Rosalba Dominguez

Motion passes 3-0

UPDATE ITEM

Fund balance review – Brenda Moore, Finance Director, reviewed the fund balance for RDA for 2022. There are five active areas of RDA areas collecting taxes (TIF money). Total fund balance for RDA is \$6.6million. Of that total, \$2.9 million is reserved for low-income housing. Important ones to know, the fund balance for CBD (Central Business District) includes \$1ml for low income housing that will need to be spent on that. The current balance otherwise in the CBD is negative \$30,000. Essentially it was borrowed upon. In the CBD, the RDA fund is “land rich” but “cash poor”. That fund balance should go positive in 2023 to about \$400,000. The Smelter Site has a fund balance of \$3.5 million, with \$911,000 that is reserved for low income housing. Any of those mentioned low income funds can be spent anywhere in the area. Some funds will be used for a low income transit project. Unspent funds in an RDA area that expires will go back to the taxing entities from where the money was taken from originally.

DISCUSSION ITEM

Discussion related to the sale of real property – presented by Orden Yost, with Jared Hall.

- 5025 South State Street (existing City Hall site); and
- 4886 South Poplar Street (the historic Murray Chapel site).

G.L. had written out a motion. Ms. Cotter made that written motion to go into closed session. The Council voted to meet in closed session for this portion of the meeting pursuant to Sections 52-4-204 and 52-4-205 (1)(d) of the Utah Code to discuss the disposition of real property owned by the RDA, located at 5025 South State Street and 4886 South Poplar Street because public discussion of the transaction would disclose estimate valuation of the property would prevent the board from completing the transaction on the best possible terms. Mr. Hrechkosy seconded the vote. Roll Call vote:

Y Diane Turner
Y Garry Hrechkosy
Y Rosalba Dominguez
Y Pam Cotter
Y Kat Martinez

Motion passes 5-0

Closed session was then held in City Council conference room at 2:29 p.m.

Meeting was then reconvened 3:02 p.m. A decision was not reached. The discussion was continued with a presentation from Orden Yost. He discussed how the appraisal was done. The property is in MCCD zone, which influences the value. The property must be pedestrian-orientated and with emphasis on urban design and street-scape, which will be determined as RDA moves forward. The current zoning allows for commercial, retail/hotel, and 80 residential units. If the building were to be saved, the value of the property would be less. Highest and best use of the property must be considered and chosen. What is physically possible, legally permissible, and financially feasible for the developer must be considered in the choices. Development of the property must also provide the Murray Theater with 100 parking stalls. Vertical mixed use has been considered, including office, retail, medical, and residential mixed uses. There are about 30 developers interested in the site and it should take around eight months for it to sell. Then it could take 18 – 24 months for the property to be developed. Some plans can provide more green space than others. Some plans have underground parking. It is generally the case that the taller the structures, the greater percentage of green space it is possible to provide. Mr. Yost showed many examples of aesthetically pleasing mixed-use structures with ample green space. The value of the property without multi-family is less than half of what it is if multi-family uses can be included in a mixed-use development. That potential additional income could allow the city to invest more funds into the downtown area, including making it more walkable and usable. Mr. Yost was asked to look into moving the chapel. Again, the additional revenue could allow that to happen. Better parking for the city could be addressed as well.

Ms. Turner talked about not wanting to increase the density too much. Ms. Dominguez asked the difference in value between making the plot into multiple parcels or keeping it as one. Mr. Yost felt that dividing the property would create challenges for good retail development. He felt it would not meet the needs of the city. There are not four streets clearly around the parcel, which makes dividing the property more difficult, and he advised that further subdividing the property would not provide any advantages.

Ms. Dominguez expressed concern that the city needs to invest in a city center, and it wouldn't be a developer doing that. She asked about changes being made to the MCCD Zone after the survey that had been completed in the summer. Mr. Hall said that the city controls much of the land in the MCCD Zone, and most of the rest is owned by only a few entities. He felt that the market was in a sort-of pause at the time. City staff was also continuing to look into potential changes to the MCCD Zone.

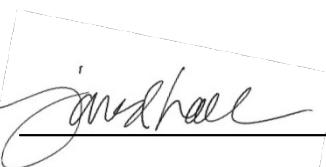
Pam Cotter left the meeting at 3:41 p.m.

Mr. Hrechkosy asked about what it would take to keep the current city hall building, and what issues the current building would have to be addressed. Mr. Hall said the current building would have to go through a process called change of use, meaning that it would need to go through seismic upgrades, be made fully ADA compliant, and be upgraded for plumbing, mechanical, and electric upgrades. These changes can cost significant amounts of money. Mr. Hrechkosy asked the city attorney what comes next in the process of preparing to sell the city hall property. Mr. Critchfield responded that Mr. Yost needs some direction in how to market the property, and one possibility is that the RDA Board may come back in January to have a discussion and make a decision in either a special meeting or in the January 18th meeting. Ms. Turner said she had heard about medical buildings in the front and multi-family housing in the back of the property and wondered if Mr. Yost had seen interest in that concept. Mr. Yost responded that there has been interest in medical and office, but the question is how the site ends up being organized with those different uses all together.

Ms. Dominguez asked the council if the goal is to take the most amount of money and that's it. Once it's sold, the city has very little say in what will happen to the site after that other than the ordinances in the MCCD Zone. She also asked how to protect the façade of the building. She asked if it was possible to negotiate that kind of consideration in the sale, and if RDA funding could be used. Mr. Yost responded that yes it was possible as a condition of the sale. He explained that it could impact the value, and he was concerned about preserving the full length of the building façade creating logistical difficulties for a developer, but it was possible.

Ms. Turner said they were out of time, but it was an important discussion. The RDA Board decided they would revisit this discussion and including public comments at the RDA meeting on January 17th, 2023.

The meeting was adjourned at 3:53 p.m.



Jared Hall,
RDA Deputy Executive Director

Colliers

State Street

Arlington Ave.



T.Orden Yost, CCIM

Providing Commercial
Real Estate Services

Murray City Center
Redevelopment Overview



Accelerating success.

A Site Aerial & Parcel

Murray City Center Redevelopment

State Street



Parcel # 2207157046 - 1.74 acres

Myrtle Ave.



Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Conclusion

| Value Type & Appraisal Premise | Interest Appraised | Date of Value | Value Conclusion |
|--------------------------------|--------------------|------------------|------------------|
| Market Value As If Land Only | Fee Simple | October 24, 2022 | \$14,330,000 |

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. None

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. For this analysis, we assume the property to contain as land only. None of the improvements are considered.
2. This is contrary to the fact as there are improvements located on the site which are slatted for demolition. Renovation costs are not considered herein.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 6 - 9 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time.

Accordingly, we estimate the subject's marketing period at 6 - 9 months.

B Understanding the Appraisal

Murray City Center Redevelopment

The economic value of real estate is based on what you can do with it!

How do appraisals work? and what criteria do they use to determine value?

Assumptions are made, such as for land and/or building. Our appraisal is only for the land. It is understood that the buyer will pay for the demolishing of the three buildings.

Zoning MCCD, this zone is envisioned as the commercial, civic, and cultural center for the community and is intended to enhance physical, social and economic connections by redeveloping downtown Murray, resulting in a richer, more vibrant cultural environment. The 2017 Murray City General Plan suggests that the city center should be a development which is pedestrian oriented, with a strong emphasis on the urban design and street scape.

MCCD zoning, a mixed use zone, including commercial and residential, allows up to 80 units per acre.

Valuation Method

1. Cost approach (replacement cost) usually for building
2. Sales Comparison (similar properties/space/zoning)
3. Income Capitalization where the seller is selling the income model by the business

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- **PHYSICALLY POSSIBLE**
- **LEGALLY PERMISSIBLE** under the zoning regulations and other restrictions that apply to the site
- **FINANCIALLY FEASIBLE**
- **MAXIMALLY PRODUCTIVE**, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses

As Though Vacant

Evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development.

The subject has excellent access and exposure characteristics. There is also major redevelopment occurring in the immediate area. This includes multi-family and commercial use.

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

B Understanding the Appraisal, cont.

Murray City Center Redevelopment

Legally Permissible

The site is zoned MCCD, Murray City Central District. Permitted uses include commercial, retail, hotel, and multifamily uses. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property.

From a multi-family properties density is significant at 80 units per acre.

Given prevailing land use patterns in the area, only multifamily use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for multifamily use in the subject's area. It appears a newly developed multifamily use on the site would have a value commensurate with its cost. Therefore, multifamily use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than multifamily use. Accordingly, multifamily use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for multifamily use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

Most Probable Buyer

Taking into account the size and characteristics of the property and its occupancy, the likely buyer is a developer.

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Reconciliation and Conclusion of Value

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C Density Examples

Which image has the higher density per acre?





C Density Examples

Which image has the higher density per acre?



Density, as a word, is an abstract quantitative measure that is ineffective in describing the appearance, form, or function of a city, neighborhood or district. It is believed that density, or the lack thereof should not be the focus of the discussion.

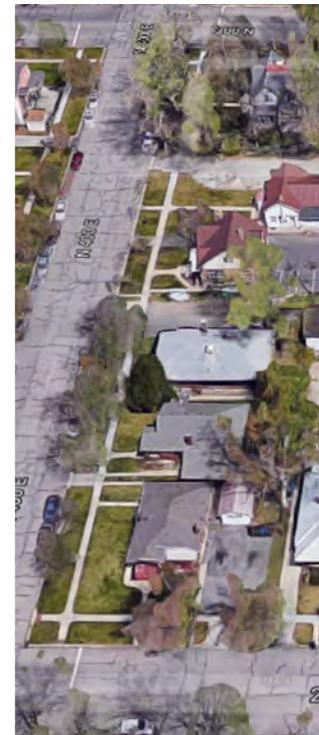


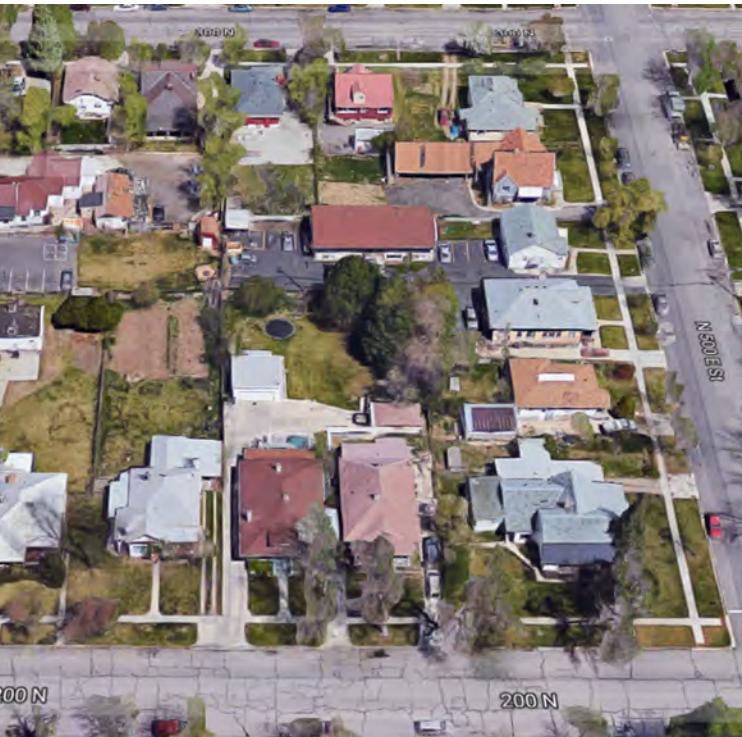
Any discussion of the regulations governing development in downtown should focus on what that downtown should look like, how it should function and what uses or activities it should foster.

Once the physical parameters of this vision such as streets, open spaces, building height, setbacks and lot coverage are established, the regulation of density becomes unnecessary and sometimes even counterproductive.

C Density Examples

Which image has the higher density per acre?





C Density Examples

Which image has the higher density per acre?



We often associate “high” density with a particular housing type (e.g. single-family detached vs. townhomes vs. apartments).



In reality, many other factors affect how the density is perceived.

C Density Examples



townhomes
18 - 25 DU/AC
type V

4 story c
30 - 45
typ



on grade
DU/AC
e V

wrap
40 - 60 DU/AC
type V + type I

C Density Examples



podium
100 - 250+ DU/AC
type III/V over type I



high rise
200 + DU/AC
type I

C Density Examples





815 W Burnside Portland, OR

- Density: 195 du/ac
- Number of Units: 138 DU
- Site Area: .7 ac
- Number of Stories: 7

C Density Examples





60 Kilmarnock St Boston, MA

- Density: 200 du/ac
- Number of Units: 435 DU
- Site Area: 2.16 ac
- Number of Stories: 8

C Density Examples





3100 Lake Street Apartments Minneapolis, MN

- Density: 121 du/ac
- Number of Units: 200 DU
- Site Area: 1.65 AC
- Number of Stories: 8

C Density Examples





m.Flats Arlington, VA

- Density: 258 du/ac
- Number of Units: 198 du
- Site Area: 0.78 ac
- Number of Stories: 10 - 11

C Density Examples





Parcel K Seaport District Boston, MA

- Density: 121 du/ac
+ 294 hotel rooms
- Number of Units: 304 DU
- Site Area: 2.5 ac
- Number of Stories: 12

D Development Options

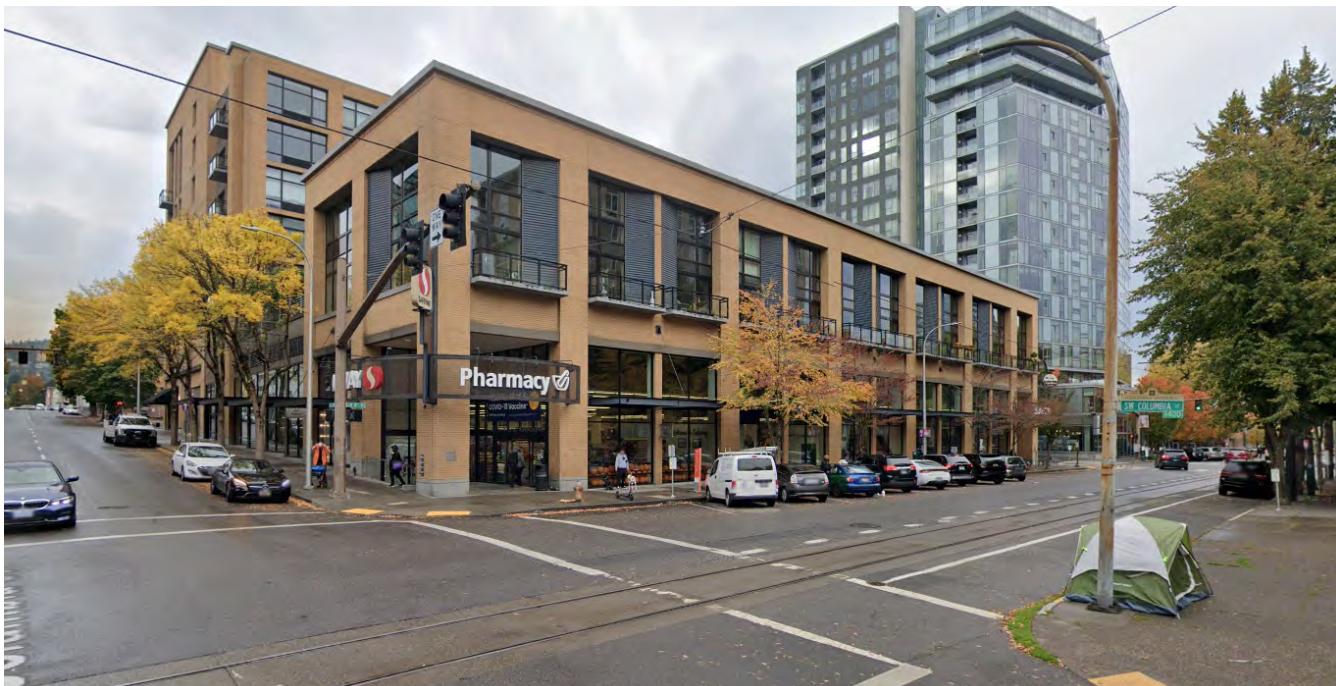
Medical Uses





D Development Options

Multi-family / Multi-use

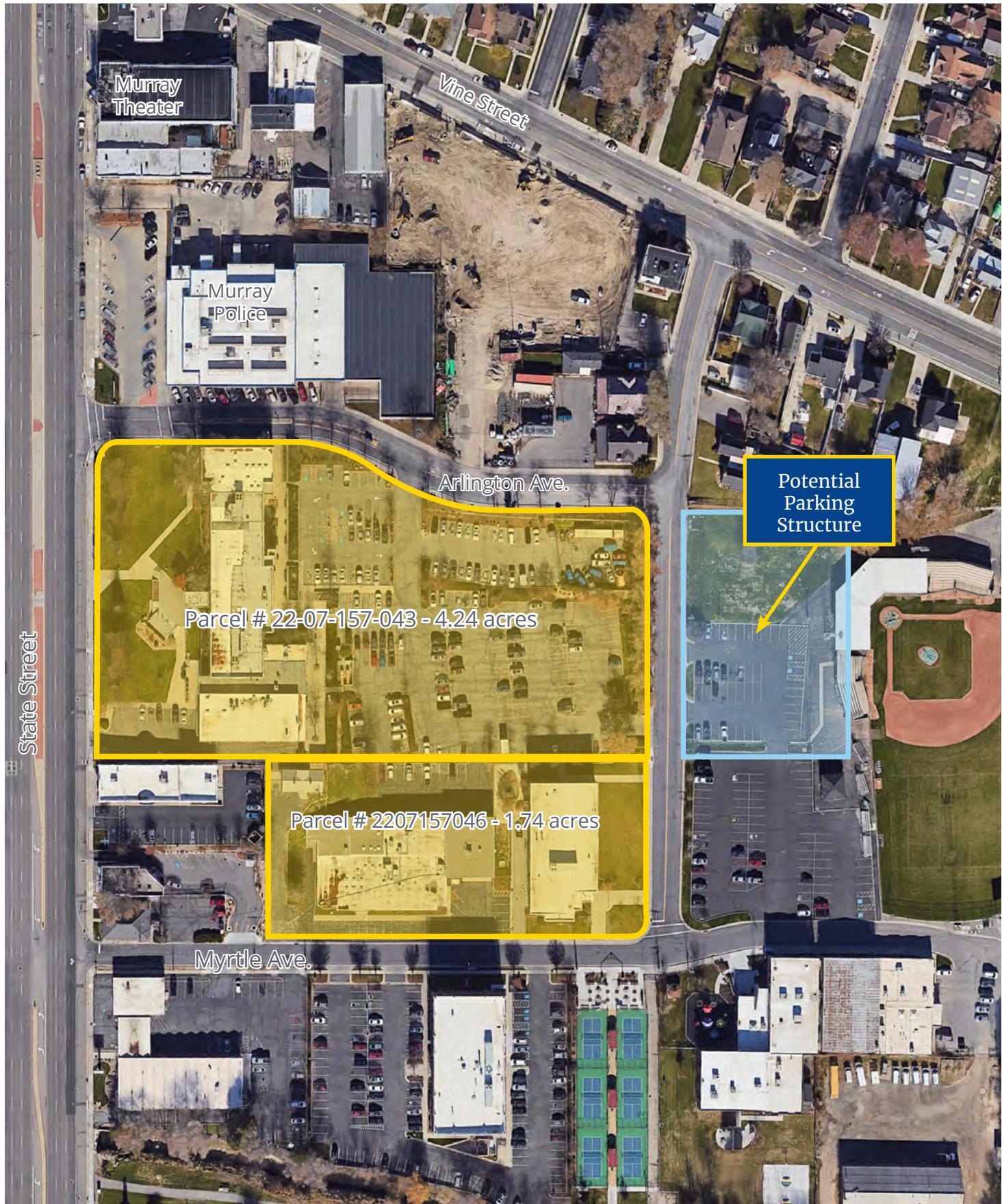


Post District

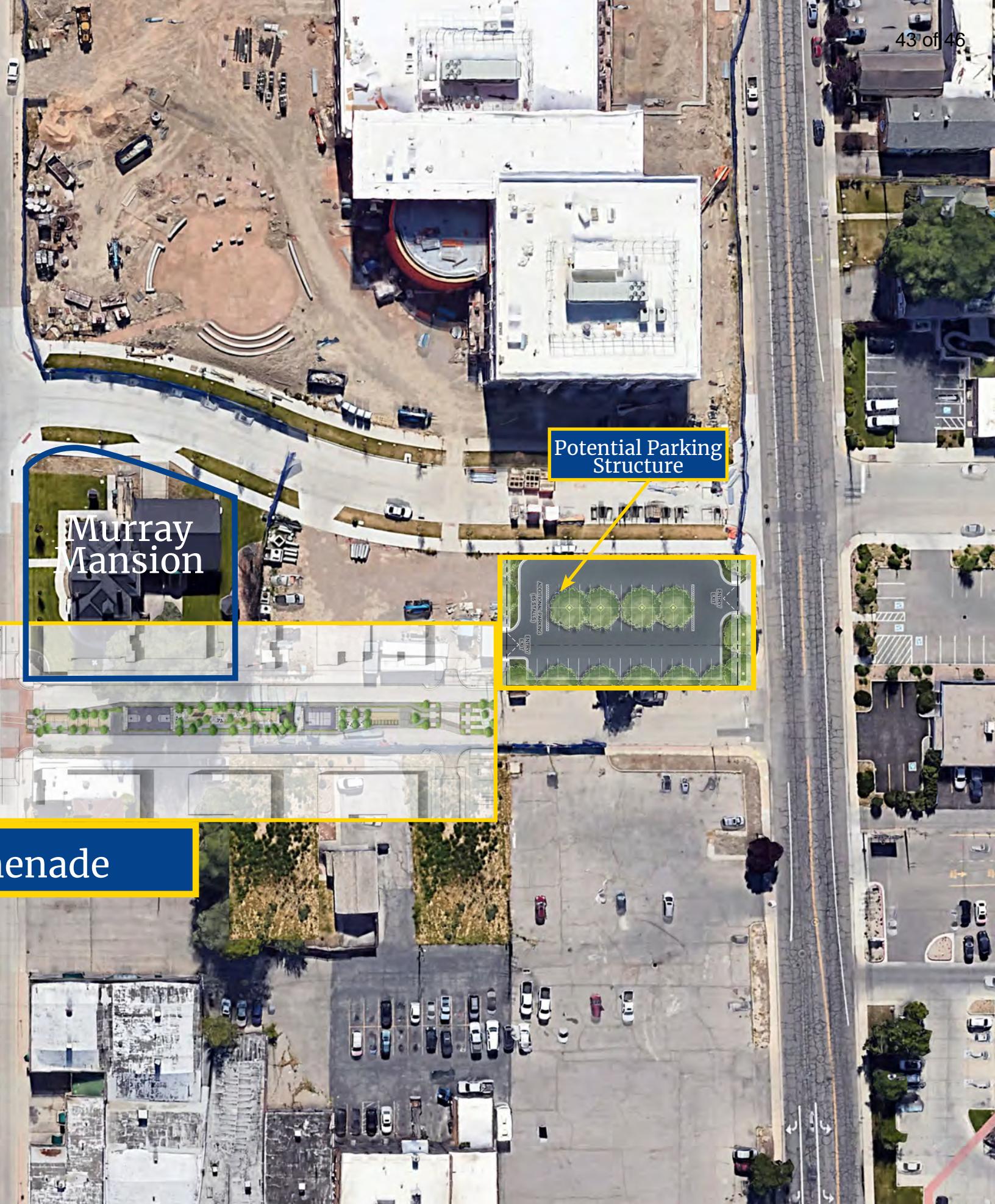


E New Site Development Options





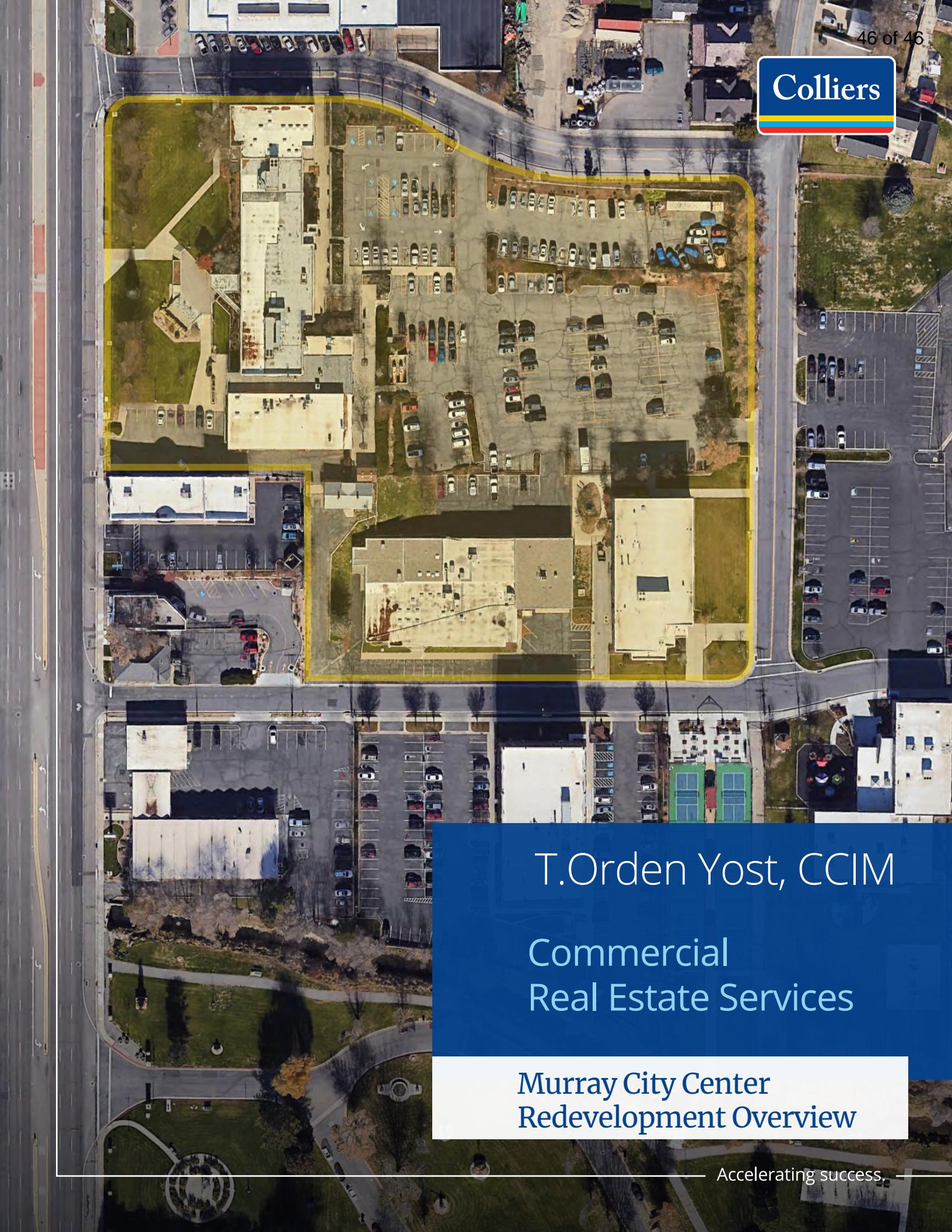




E Promenade - Renderings





ColliersAn aerial photograph of a commercial and residential area. A large building complex with several parking lots is highlighted with a thick yellow line. To the right, there are more parking lots and some residential buildings. The overall image is a top-down view of a town or city.

T.Orden Yost, CCIM
Commercial
Real Estate Services

Murray City Center
Redevelopment Overview

Accelerating success.