

Minutes of the Redevelopment Agency meeting held on Tuesday, May 17, 2011 at 4:15 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Present:	Darren Stam, Chairman	Mayor Snarr
	Jared Shaver	Jan Wells, Chief of Staff
	Jim Brass	Doug Hill, Public Services Director
		Frank Nakamura, City Attorney
		Tim Tingey, Executive Director
		Citizens
Excused:	Jeff Dredge	
	Krista Dunn	

Chairman Darren Stam opened the meeting.

APPROVAL OF MINUTES

Jim Brass made a motion to approve the minutes from the meetings in April 2011. Seconded by Jared Shaver.

A voice vote was made. The motion passed, 3-0.

REVIEW AND DECISION ON ENDORSING NEIGHBORWORKS CONTRACT WITH MURRAY CITY

Tim Tingey stated that this item will also be addressed at the City Council meeting. He said that the agreement is between Murray City and NeighborWorks and involves funding from the Redevelopment Agency. He requested that the RDA review and endorse the contract. Mr. Tingey said that a one-year agreement was signed in May 2010 and contained a number of items that needed to be completed, including development of a website, marketing programs, appointing an Advisory Board, and developing a Loan Committee for Murray City. He stated that all of these items have been completed and that attention is now being focused heavily on marketing. Mr. Tingey stated that he serves on the Salt Lake Board and Murray Board and attends the regular meetings. He said that the proposed agreement is for a two-year period and activity will be monitored during that time by staff with regular reports to the RDA. He stated that a second program is also being proposed that is an acquisition rehabilitation program. He stated that with the city's assistance, NeighborWorks will identify problem properties such as vacant homes in disrepair and acquire those homes. The homes will be rehabilitated and then sold to a low to moderate income family. Mr. Tingey stated that this is a great way to be proactive in improving housing and will generate additional funds into the program. He said that staff is recommending that the RDA endorse this agreement, which will be considered tonight by the City Council.

Jared Shaver asked if this process is essentially flipping houses. Mr. Tingey replied that the homes will have to be significantly rehabilitated before being sold to a low to moderate income family, which is defined as having a median income of 80 percent or

less. He said that according to the HUD charts, this could be a family of 5 or 6 with a \$50,000 income. Mr. Shaver asked if the labor to refurbish the homes will be contracted out. Mr. Tingey replied that it will be contracted and bids will be obtained. Mr. Shaver asked if there will be any volunteer work available. Mr. Tingey responded that there is potential for volunteer involvement, but not in relation to the structural work. Mr. Shaver said that he would like to encourage volunteer involvement, particularly for the family that is buying the home.

Jim Brass asked if the 20 percent of TIF funds dedicated to housing programs will be for Murray programs. Mr. Tingey confirmed that it will. Mr. Shaver asked if the people assessing the property and considering loans are also from the Murray community. Mr. Tingey stated that the NeighborWorks staff has a housing rehabilitation specialist that will do the assessment. He said that all projects will be considered by the Murray Advisory Board. He said that loan officers and banks may not necessarily be from Murray.

Jared Shaver made a motion to endorse the renewal of the NeighborWorks contract with Murray City. Seconded by Jim Brass.

A voice vote was made. The motion passed, 3-0.

REVIEW AND DISCUSSION OF THE KNOWLTON GROUP'S BIRKHILL APARTMENT DEVELOPMENT

Tim Tingey stated that the developer has met with city departments related to site concepts and building plans and they are working hard to ensure that all city requirements are met. He said that the discussion tonight does not pertain to a development agreement.

Hooper Knowlton said that he is a partner in Parley's Partners, who is developing this project. He said that he has met four times with city personnel and that he anticipates having a full, completed set of working drawings submitted to the building department on Monday, June 6th. He said that they hope to have a turnaround within five weeks. Mr. Knowlton said that the intent of the meetings with Murray personnel was to resolve questions that may arise related to the construction documents, including code, fire and safety issues and that a conference call is scheduled for May 25th to discuss these issues, which are mostly resolved at this point. He stated that he would like to be able to draw a building permit by July 15th and commence construction the following day. Mr. Knowlton said that the first phase of the project will take 12 months to complete and that once a temporary occupancy permit is issued for the first part of Phase 1, the permanent occupancy permit will follow in 60 days. He said that they anticipate the building to be 100 percent leased by December 31, 2012. He stated that there are still remediation issues related to the site, and that he has had ongoing dialogue with the DEQ. He said that the DEQ has accepted a work plan that was recently submitted and that a public notice was given last Friday for a 30-day comment period. Mr. Knowlton stated that there needs to be adjustments made to the remediation cap onsite beginning June 13th and

completed within 10 days. He said that 43 feet of the cap on the west side will be moved to the east side, which DEQ has authorized, and that 100 percent of the environmental cap will be underneath the parking structure. He said that he anticipates beginning construction on the parking structure, which is made from pre-cast materials, in April 2012 and it will be completed in 35 days.

Mr. Knowlton stated that the final site plan being presented today reflects access modifications as requested by the Fire Department. He said that the pedestrian path will be to the rear of the project adjacent to the creek with a wide access coming off of Main Street. He said that there will be some landscape improvements along the creek and some fencing erected to protect public safety.

Darren Stam stated that there was previous discussion about widening the pedestrian path all the way to the back, but it appears that it's only necessary to widen one side. Mr. Knowlton agreed and said that in meeting with Phil Roberts, it was determined that there will be a place for fire truck access and the balance can be accessed with hoses.

Tim Tingey asked Mr. Knowlton to address the development agreement timeframe and also the residential buildings north of Gilbride Avenue with future commercial opportunities on the lower level. Mr. Knowlton said that there have been a series of meetings with Mike Brodsky, who currently holds a master development agreement on the property. He stated that Parley's Partners, as developers of the Birkhill Apartments, want to enter into a separate development agreement with Murray City as they want to have direct access to the Redevelopment Agency without going through a third party. He said that there have been meetings with city personnel regarding a new development agreement and that he expects to have the document completed and sent to staff by Friday. Mr. Knowlton said that money has been expended for remediation of the site and that he has agreed with Mr. Brodsky that the first \$350,000 of tax increment will accrue to Hamlet Homes. He stated that Mr. Brodsky has been very cordial and cooperative. In relation to commercial development, Mr. Knowlton said that there are 10 units in this project that front on either Main Street or Fireclay, and they will be built according to the design standards with 12 feet floor to floor, and although they will be residential units initially they will be built to commercial standards. He said that there is an elevation differential in the units facing Main Street as the property slopes toward the creek and that steps and ramps have been included for access to the future commercial units.

Mr. Shaver stated that the RDA appreciates Mr. Knowlton's willingness to work with Mike Brodsky and that he is excited to see some development taking place in this area. Mr. Stam commended Mr. Knowlton for his willingness to work through issues and coordinate the project with staff. He said that clarifying things initially results in the project being completed faster. Mr. Knowlton agreed that dialogue and communication is paramount. He said that there is also financial motivation to get the project under construction. He complimented staff in the Building Department for their willingness to work with him and said that his architects have been impressed as well.

2011 – 2012 BUDGET DISCUSSION

Tim Tingey stated that a budget will be presented to the RDA in June for approval. He said that Public Services completed some projects in the Vine Street area right-of-way that have been included for reimbursement. He said that there will also be some reimbursements to the attorney's office for additional work done in relation to the Central Business District. Mr. Tingey said that details of the budget will be discussed at the next meeting.

COUNTY REDEVELOPMENT AREA AUDITOR REPORT DISCUSSION

Mr. Tingey stated that the County Auditor's office has not paid the full amount of tax increment financing to a number of communities, including Murray. He said that some communities are joining together to meet with the county, but that Murray City staff elected to meet separately and perform their own analysis. He said that according to state law, Murray City is entitled to approximately \$81,000 that has not been paid by the county. He stated that he has not had a response to his letter at this time. Mr. Stam stated that he is pleased that Mr. Tingey took time to find this discrepancy. Mr. Shaver asked about the handwritten notes in the increment report related to tax rates used. Mr. Tingey stated that staff had made notations related to the estimated levy rate used to calculate the November 1st report. He said that other communities have estimated high, which the Auditor's office isn't pleased with. He said that payment should not be made according to the estimate and that state law indicates that the full tax increment should be paid.

DEVELOPMENT UPDATES

Mr. Tingey stated that the Hoffman Building has been demolished and the rubble is being hauled away. He commended staff for coordinating this project. He said that he plans to have Public Services pave and stripe the area to provide some additional temporary parking. He said that staff is still working with a medical office group interested in the downtown area and that a meeting will take place in the next two weeks to review their plans. Mr. Stam stated that the proposed building will be LEED certified. Mr. Tingey said that there have been ongoing discussions with a hotel group that is interested in State Street frontage. He said that staff is still working with Culver's to help move their project forward.

Meeting adjourned.

B. Tim Tingey, Executive Director