

Minutes of the Redevelopment Agency meeting held on Tuesday, November 15, 2011 at 6:00 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
 Jeff Dredge Mike Wagstaff, Executive Director
 Tim Tingey, Executive Director
 Brett Hales, Council Elect

Excused: Jim Brass
 Krista Dunn

Chairman Darren Stam opened the meeting.

APPROVAL OF MINUTES

Jared Shaver made a motion to approve the minutes of October 18, 2011. Seconded by Jeff Dredge.

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

CONSIDERATION OF A RESOLUTION APPROVING A BUDGET AMENDMENT TO THE SMELTER SITE REDEVELOPMENT AREA REGARDING THE TWENTY PERCENT HOUSING FUNDS

Tim Tingey stated that this item was discussed briefly at a prior meeting and is a portion of the larger budget amendment that is being considered tonight by the City Council. He said that State law requires 20 percent of funds in the Smelter Site area to be designated for low-to-moderate income housing assistance. The City and RDA have a partnership with NeighborWorks to work on housing rehabilitation projects. Mr. Tingey said that properties have been acquired by NeighborWorks, which they plan to rehabilitate and then sell to low-to-moderate income families. He stated that staff wants to ensure that there are funds available to finish rehabilitating these properties while still covering the needs of other homeowners in Murray that submit applications for assistance. He said that the increase being requested is \$180,000 from the Smelter Site fund reserves. He said that staff is recommending approval of a Resolution pertaining to this portion of the budget increase.

Jared Shaver made a motion to approve the Resolution for a budget amendment to the Smelter Site Redevelopment Area. Seconded by Jeff Dredge.

Call vote recorded by Tim Tingey.

 A Jeff Dredge
 A Jared Shaver
 A Darren Stam

Motion passed, 3-0.

HIGHMARK MEDICAL (HMI) UPDATE

Tim Tingey stated that Highmark Medical is the developer proposing a medical office in the Murray City Center District on the corner of Box Elder Street and Vine Street. He said that a soccer facility is currently at this location. He stated that due to the parking issues at this site and related costs, staff has been working with Highmark Medical to enter into a development agreement. Mr. Tingey explained that the components of the agreement will include providing tax increment financing for reimbursement of parking facilities, which includes a parking structure and structural building elements or site improvements related to parking. He said that 51 percent of the tax increment share from this particular site would go to Highmark Medical, and the other amounts would go to the other taxing entities, 20 percent housing, and the administrative amount that is built into the plan. Mr. Tingey said that this is similar to other agreements in place for the Fireclay area.

Mr. Shaver asked if the value of the site means the current value, or value after the improvements have been made. Mr. Tingey responded that he is referring to the value after the improvements are made. He said that Mr. Stam will be involved throughout this process. Mr. Stam stated that he thinks development agreement process will progress quickly. Mr. Tingey agreed, and stated that this is the first time the developer has worked with a Redevelopment Agency so there have been a number of questions related to the agreement and how tax increment financing works.

NOVEMBER 1ST REPORT UPDATE

Mr. Tingey stated that the RDA approved a Resolution last month pertaining to the submittal of the November 1st Report. He said that there are new state law requirements regarding the documentation that must be submitted with the November 1st Report if a city chooses not to hold an annual meeting with the Taxing Entity Committee. He explained that the Zions Bank Public Finance Department worked as a consultant in compiling information for the report. A copy of the final report was provided to the RDA members. Mr. Tingey said that the projections were calculated higher than in previous years to ensure that the RDA gets the full increment amount that is due.

Mr. Shaver asked if this change in submitting the November 1st Report will solve the problem of not being paid the full tax increment amount. Mr. Tingey responded that he thinks this will solve the problem because we projected high in order to obtain the full amount. He said that previously multiple communities made requests based on the projections by the County. The County then argued that they would only pay what was requested, even if it ended up being lower than the actual amount payable. He stated that by projecting high he anticipates receiving the full tax increment amount. Mr. Tingey explained that Murray is not the only community that was not paid the full amount, and that other Redevelopment Agencies have sought legal representation to pursue this

matter. He said that although Murray is part of that group, staff has tried to pursue the issue individually with the County but has not been successful. He stated that it would be a considerable expense in legal fees to pursue the matter.

Jeff Dredge asked how much money was withheld. Tim Tingey responded that between all of the redevelopment areas it amounts to approximately \$70,000 or \$80,000 per year. He said that it adds up to a significant amount, and he is frustrated that the County has refused to pay when State law clearly states that they are obligated to provide the full amount. He stated that the County provides projections, and that communities submit requests based on those projections. He said that at the end of the year, if the auditor report indicates a higher value, the difference is not being paid. Mr. Dredge asked if it would be advisable to involve Dave Stewart to put some pressure on the County. Mr. Tingey responded that other agencies have been working with a lobbyist to put pressure on the County and he doesn't know if it would be helpful to proceed that way.

DEVELOPMENT UPDATES

Mr. Tingey said that staff is still working with a hotel group that seems quite motivated to locate in the downtown area. He said that an offer has been made on a parcel of property but the owner has not accepted the offer yet. He stated that if the offer is accepted then there will be a lot of work to be done in order to move the project forward. Mr. Tingey stated that a medical office group is looking at a site on the northeast corner of Commerce and Vine Street and that the project appears to be moving forward with marketing elements being developed.

Mr. Tingey said that staff works closely with the Economic Development Corporation of Utah (EDCU). He said that out of state inquiries usually start with EDCU, who in turn will request information from various cities to meet the requirements of a particular inquiry. He stated that the different inquiries are assigned project names to keep the business identity confidential. He explained that staff responded to a recent request for information for Project Pumpkin, which is a group looking for 100,000 square feet of Class A office space and anticipate a high number of professional jobs. Mr. Tingey said that he will update the RDA if anything develops from the proposal. He said that InComm is still interested in Murray, and are expanding their manufacturing operation in Utah. He said that they have not made a decision yet on where to locate the programming positions affiliated with their company. Mr. Tingey stated that Project Holly, which is a group that is expanding by 250 jobs and 75,000 square feet of office space, recently selected Murray City as their new location. He said that they will be moving into the building where the Workers' Compensation Fund was previously located.

Mr. Shaver asked if Mr. Tingey had heard anything about the proposal for the building on 5300 South and the adjacent parking lot. He said that he thought the County was going to be voting on the issue today. Mr. Tingey asked Mayor Snarr to respond. Mayor Snarr stated that there were seven Council Members present at the meeting, and the vote was

six-to-one in favor of selling the property. He said that now a decision will have to be made by the Murray City Council to approve a zone change for the parcel, which only encompasses the parking portion of the site. Mr. Tingey said that the rezone consideration will go before the Planning Commission in December and then before the City Council in January. Mayor Snarr said that the County meeting was interesting, and that a number of citizens in the area attended and criticized the City. He said that one resident stated that the project will destroy the existing owl habitat in that area.

Meeting adjourned.

B. Tim Tingey, Executive Director