

Minutes of the Redevelopment Agency meeting held on Tuesday, January 17, 2012 at 4:30 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Present: Darren Stam, Chairman Mayor Snarr
 Jim Brass Jan Wells, Chief of Staff
 Brett Hales Doug Hill, Public Services Director
 Jared Shaver Frank Nakamura, City Attorney
 Dave Nicponski Michael Wagstaff, Executive Director
 Tim Tingey, Executive Director
 Chad Wilkinson, City Planner
 Citizens

Chairman Darren Stam opened the meeting and welcomed new board members Brett Hales and Dave Nicponski.

APPROVAL OF MINUTES

Jared Shaver made a motion to approve the minutes from December 6, 2011. Seconded by Jim Brass.

A voice vote was made. The motion passed, 5-0.

ELECTION OF OFFICERS

Jared Shaver made a motion for Darren Stam to remain as Chairman for the Redevelopment Agency. Seconded by Dave Nicponski.

Call vote recorded by Tim Tingey.

A Dave Nicponski
A Jim Brass
A Jared Shaver
A Brett Hales
A Darren Stam

Motion passed, 5-0.

Brett Hales made a motion to elect Jim Brass as Vice Chairman of the Redevelopment Agency. Seconded by Jared Shaver.

Call vote recorded by Tim Tingey.

A Brett Hales
A Jared Shaver
A Jim Brass
A Dave Nicponski
A Darren Stam

Motion passed, 5-0.

UPDATE ON THE QUALITY OIL SITE LOCATED AT 5020 SOUTH STATE STREET, AND
CONSIDERATION OF A CONTRACT WITH IHI ENVIRONMENTAL FOR ADDITIONAL
GROUNDWATER SAMPLING

Tim Tingey stated that this project has been ongoing since the RDA acquired the site in 1986. At that time there were twelve underground storage tanks on the property and the RDA started working on a process with Salt Lake County and the State to clean up the site. He said that the RDA has been expending funds over the past several years to meet the obligations related to clean up of the site. Mr. Tingey explained that some portions of the site have been sold, but there is a strip of land adjacent to the creek that is still owned by the RDA and requires additional environmental monitoring. He introduced Chris Nolan from IHI Environmental to provide more information about the site and continued monitoring. Mr. Tingey stated that staff will be moving forward with a contract to meet additional monitoring obligations, and that funds have been budgeted in the Central Business District to cover this cost.

Chris Nolan stated that this site has housed a number of businesses, starting with a car wash in 1946. He said that after Murray City took possession of the property and removed the storage tanks it was found that there was soil contamination of the site. He stated that significant excavation took place and the contaminated soil was removed and then the site was backfilled. There is an area of ground that could not be excavated due to a sewer line that had to remain in place, and this is the area that is still showing contamination. Mr. Nolan said that there are small areas that have cleaned up on their own through soil breakdown, and the groundwater testing does not detect petroleum constituents. He said that when the areas of contamination become small enough, there are naturally occurring bugs and oxygen that will clean the site over a period of time.

Mr. Nicponski asked if the wells belong to Murray City. Mr. Nolan responded that they are the City's wells. He said that the contamination is very shallow and does not extend below the clay layer that protects the drinking water wells. He said the contamination is confined to the upper level of the water table, and that as the creek rises and lowers it effects the groundwater levels and introduces oxygen to the site. Chris Nolan said that there has not been any impact noted on the creek, and that there are some clay barriers along the creek bank where the contamination remains. Jared Shaver stated that the clay creates a natural barrier so the contamination does not go any further, and asked if any clean up needs to take place below the clay level. Mr. Nolan responded that the contamination is only above the clay level.

Mr. Nolan stated that the State has requested continuing monitoring of the site. He said that instead of spending funds trying to develop an engineering program to further excavate the site, or inject other materials into the site, the State prefers a method called monitored natural attenuation. He said that this means the naturally occurring bugs degrade the material, but the site must be monitored on a regular basis to ensure that progress is being made in contamination reduction. Mr. Nolan said that based on the data over the past few years, he believes the site is getting to a point of showing significant improvement. He said that they would like to test again this spring and then take those results to the State with a plan of corrective action. He said that the site does not produce any offsite impacts. Jared

Shaver asked for an approximate amount of time for the site to naturally attenuate. Chris Nolan responded that he would estimate about ten years.

Tim Tingey stated that staff plans to move forward with continued monitoring of the site for the next year as funds have already been budgeted.

DOWNTOWN DEVELOPMENT UPDATES

Mr. Tingey stated that he spoke with Highmark Medical representatives this morning about the proposed development at the soccer site on the corner of Box Elder and Vine Street. He said that the developer has gone through the process with the Planning Commission and obtained approval for the project. Staff has been working on a development agreement that he hopes to bring forward to the RDA soon. Mr. Tingey said that the developer has indicated that they have temporarily lost the contract on the property and did not want to proceed with the development agreement until the property was back under contract. He said that the site is comprised of two properties, and the contract was lost on the western parcel near TRAX. He stated that the developer is working to get the site back under contract and seem optimistic that they will be able to do so. Mr. Tingey said that the developer has expressed frustration related to marketing the site and the time it has taken to get necessary tenants to support the project. He stated that once the property is back under contract then negotiations will start related to the development agreement, which is primarily for tax increment financing to reimburse for parking costs at the site.

Dave Nicponski asked about the parking situation for Highmark Medical. Tim Tingey explained that in the Murray City Center District, any development that chooses to exceed maximum parking requirements must provide a parking structure. He said that one of the issues with the current draft of the development agreement relates to the cost of the proposed parking structure at this site, which is higher than what is being paid for parking structures currently being built in other areas of the City.

Mr. Tingey stated that NovaSource is a hotel group that has property under contract on the corner of Vine Street and State Street. He said that the group is currently looking at cost estimates and will likely request a development agreement to obtain tax increment for this project, primarily for costs related to either a parking structure or underground parking.

Jared Shaver asked about the property boundaries on the north of this parcel. Tim Tingey responded that currently there is an access on the north side of the property, and that the existing strip mall and access would remain.

Tim Tingey stated that property acquisition was discussed in a previous closed meeting, and that following the meeting an offer was made on an available parcel. Some counteroffers were made and an agreement has finally been reached. He stated that staff will proceed with the environmental process and title work, and that the property will likely be acquired with City bonds in place for this purpose.

Jared Shaver asked about the tenants at this location. Tim Tingey stated that the current property owner has no interest in continuing as the landlord and that the City will become the landlord if the property is purchased. Mr. Shaver asked how that will be accounted for in the budget. Mr. Tingey replied that there would likely be a property manager assigned to help handle this responsibility, and that in relation

to budgets the rental income would be considered revenue. Mr. Shaver stated that there would be expenses related to owning the property. He asked if the City has someone that would manage the property or if someone would be hired. Mr. Tingey responded that no decision has been made related to handling this issue.

Mr. Tingey said that staff will be meeting with Culver's to discuss possible site options for in the City.

FIRECLAY AREA UPDATES

Tim Tingey stated that the Fireclay Villages project is starting to really take off and he anticipates some Certificates of Occupancy to be issued soon. He said that the Birkhill Apartment project is moving forward and the developer has been looking at commercial expansion opportunities in this area.

Mayor Snarr asked when construction will begin on the critical care facility in this area. Tim Tingey responded that plans are currently being finalized and that a building permit has not been issued yet. He said that the developer wants to start construction this spring. Brett Hales asked how large the facility will be. Mr. Tingey responded that it will be just over 30,000 square feet. Darren Stam asked if there has been any updates from Mike Brodsky related to his property in the area. Frank Nakamura stated that there has been communication from the bank related to a trustee sale, and that he did correspond with the bank to advise that there is an existing development agreement on the property and that the City has some concerns about the obligations of the agreement if the bank takes over the property. Tim Tingey stated that there have been inquiries from groups that are interested in developing the property.

Meeting adjourned.

B. Tim Tingey, Executive Director