

Minutes of the Redevelopment Agency meeting held on Tuesday, April 17, 2012 at 4:00 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.

APPROVAL OF MINUTES

Jared Shaver made a motion to approve the minutes from March 20, 2012. Seconded by Brett Hales.

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

REVIEW AND DECISION ON FIRECLAY AREA TRANSPORTATION MASTER PLAN AND DESIGN GUIDELINE MODIFICATIONS

Tim Tingey stated that there are two items being considered in this modification request. He said that modifications to the standards follow the process of being considered first by the Redevelopment Agency. The RDA makes a recommendation and the issue then goes before the Planning Commission for a recommendation. The City Council ultimately makes a decision on the ordinance modification. He said that staff has met with developer Hooper Knowlton in relation to his proposal to modify street lighting standards. Mr. Tingey said that staff from multiple city departments has met with the applicant to review this request. He said that the current standard indicates that street lights must be placed between 30 and 50 feet apart. This proposal is to allow a 100-foot distance with staggering to occur on both sides of the street. Staff concurs that this is a reasonable request, and recommend the standards be modified to allow the distance for street lighting placement to be 30 to 100 feet with staggering to occur on both sides of the street. He said that the Power Department believes that the new proposal will work well and agree that there is currently too much lighting along this section of Main Street. Additionally, he said that there are some intersections where the 100-foot distance cannot be applied and therefore the wording states that spacing up to 120 feet is allowed only in specific situations when lighting is adjacent to an intersection.

Jared Shaver clarified that the lighting around an intersection is allowed to be spaced further. Mr. Tingey agreed and stated that the 120-foot allowance only applies adjacent to intersections. Mr. Shaver asked about the distance between the lights when they are staggered. Mr. Tingey stated that if the lights are staggered there will be 50 feet between lights.

Mr. Tingey said that the second modification item relates to the rail crossing on Fireclay Avenue. He said that UTA and UDOT submitted a letter to staff outlining safety concerns related to this crossing.

He said that they requested elimination of a street from the Fireclay Transportation Master Plan due to its location adjacent to the rail line. Staff has reviewed the request and concluded that elimination of the street will not substantially alter the vision of a dense, pedestrian scaled neighborhood. Based on the safety concerns identified, staff recommends approval of this modification to the Transportation Master Plan.

Mayor Snarr asked about creating a turnaround at the end of the adjacent road in order to create a safer area for fire personnel. Mr. Tingey responded that there will be a turnaround in the future. Mayor Snarr stated that he agrees with staff that elimination of the street will not adversely affect the area. He also agrees that the light spacing is appropriate because some areas in the City have too much lighting resulting in spillage to adjacent areas. Mr. Tingey said that fewer lights will result in fewer maintenance issues in the future.

Jared Shaver asked how other developments outside of this area will be affected by these modifications. Tim Tingey responded that any new development will be allowed to use the new lighting spacing standard of 30 to 100 feet with staggering and up to 120 feet near intersections. Jared Shaver stated that lighting concerns can also be addressed by changing wattage and lamps. Mr. Tingey stated that staff believes it makes sense to use light spacing as a means to reduce excess lighting because in the end there is also a reduction of maintenance and development expense.

Jared Shaver made a motion to alter the design guidelines to allow light spacing modifications of 30 to 100 feet in the Fireclay area, and up to 120 feet near intersections. Seconded by Brett Hales.

Call vote recorded by Tim Tingey.

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

Motion passed, 5-0.

Jim Brass made a motion to send a positive recommendation to the City Council to remove the section of road between Fireclay Avenue and Gilbride Avenue adjacent to the railroad tracks. Seconded by Jared Shaver.

Call vote recorded by Tim Tingey.

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

Motion passed, 5-0.

FIRECLAY AREA ISSUES UPDATE

Tim Tingey stated that the Medistar project has gone through the process to obtain a building permit but ran into some financing issues that have resulted in a delay. He said that the Birkhill Apartments project is moving forward. He asked Doug Hill to provide an update on the rail crossing issues.

Doug Hill said that the City Engineer, Trae Stokes, has hired a consultant, Lochner Engineering, to assist in evaluating this issue. A plan was submitted to UDOT and UTA last Friday and has been returned with a number of comments that are currently being reviewed. He said that staff has made contact with contractors that are authorized to work in the right-of-way and requested cost estimates for the proposed improvements. Mr. Hill said that he is concerned that the improvements will not be completed before Miller Development requests a Certificate of Occupancy and that he has been in contact with Jay Minnick regarding this issue. He stated that costs are still to be determined and he will update the Board once he knows for certain. He said that the funding will be borrowed from a current budget line item that was intended for an intersection realignment. Mr. Hill said that he anticipates coming to the RDA in the future to request reimbursement for these costs as this project was not expected or budgeted for. He anticipates immediate costs to be around \$30,000. He said that UTA has provided some temporary crossing arms that are longer than those in place previously, and that staff has asked for additional assistance with this project. He said that the long term improvements requested by UTA could run as much as \$200,000 and will have to be addressed at a future date.

Jared Shaver asked if the \$30,000 worth of improvements is sufficient to allow for occupancy. Doug Hill responded that they will allow for occupancy and are minor items such as curb, gutter, sidewalk and fencing. He said that eventually permanent islands and crossing arms will have to be installed. Jim Brass said that there will be some money in the RDA budget for this area that may be available for this type of improvement. Darren Stam said that another factor may be the sale of the foam plant property.

REVIEW AND DECISION ON REVITALIZATION ASSISTANCE GRANT PROGRAM

Mr. Tingey stated that he is proposing a new program to assist small businesses in designated redevelopment areas of Murray City. He said that the RDA budget for Vine Street, Cherry Street and the Central Business District (CBD) have a line item for revitalization grant funding. He said that there have been occasional requests from property owners in these areas for assistance with enhancements or other projects. He stated that a few years ago the RDA funded a project in the Cherry Street area for a new woodworking business. He said that revitalization grants have also been given to Day Murray Music and the Desert Star Theater in the CBD. Because of the requests for grant funding, Mr. Tingey stated that it is important to establish an application process and determine criteria for evaluation. The intent is to encourage small business owners to invest in their properties.

Mr. Tingey outlined the criteria that must be met in order for small business owners to be eligible for consideration of a revitalization grant:

1. Grant funds are primarily for locally owned small businesses with total employees of five or less. If the proposal is for a site or building with tenants, the total lease space for the building must be under 5,000 square feet;
2. Projects are limited to costs related to commercial enterprises. Revitalization grant funding will not be available for residential projects;

3. The grant funding for each project is limited to a maximum of \$5,000 of assistance from the Redevelopment Agency. Larger redevelopment projects with major investments must be negotiated through a separate development agreement with the RDA;
4. Project costs for the revitalization grant program are limited to public infrastructure (water, sewer, streetscape, curb, gutter, sidewalk, road enhancements), fiber optic enhancements, landscaping, building improvements or site environmental remediation;
5. All plans (including details such as colors and design) for the work must be approved by the Redevelopment Agency as part of the grant application process;
6. Prior to consideration of a request, all building permits and land use approvals must be obtained prior to consideration by the RDA Board;
7. If funding is approved, it will not be available prior to completion of the work. It will be reimbursed after the project is completed. An invoice with attached receipts must also be submitted to the RDA for the reimbursement;
8. The applicant must match the grant award with at least 50% of the project costs.

Mr. Tingey said that larger developers and businesses would go through the development agreement process with the RDA. He said that staff is recommending approval of the proposed Revitalization Assistance Grant Program.

Jim Brass made a motion to approve the Revitalization Assistance Grant Program. Seconded by Brett Hales.

Call vote recorded by Tim Tingey.

A _____ Jim Brass

A _____ Brett Hales

A _____ Jared Shaver

A _____ Dave Nicponski

A _____ Darren Stam

Motion passed, 5-0.

REVIEW AND DECISION OF A REQUEST FOR REVITALIZATION ASSISTANCE GRANT FUNDS FOR THE MISSIONARY DEPOT LOCATED AT 4967 SOUTH STATE STREET

Tim Tingey stated that prior to the Revitalization Assistance Grant Program being developed, this request was submitted by Kirk Sherrod of the Missionary Depot. He said that the request includes sign improvements and façade enhancements of the building at 4967 South State Street. He said that the applicant has provided some cost estimates to staff totaling \$5,637.54 for these improvements. Staff has evaluated the proposal and is recommending approval of 50% of the costs, which would be \$2,850, and with conditions that all building permits and land use approvals must be obtained prior to reimbursement by the RDA. He said that funding will be reimbursed after the project has been completed and an invoice and receipts have been submitted to RDA staff. Mr. Tingey said that an agreement must be approved in order for the revitalization grant to be finalized.

Brett Hales asked what kind of agreement needs to be approved. Mr. Tingey explained that the agreement will stipulate the requirements of the RDA and be signed by the applicant. Mr. Shaver asked if color scheme will be addressed as part of the agreement. Mr. Tingey said that it will.

Jared Shaver made a motion to approve the Revitalization Assistance Grant for the Missionary Depot located at 4967 South State Street, subject to conditions:

1. All building permits and land use approvals must be obtained prior to reimbursement by the Redevelopment Agency;
2. Funding will be reimbursed after the project is completed. An invoice with attached receipts must also be submitted to the RDA for the reimbursement;
3. The applicant must match the grant award with at least 50% of the project costs.

Seconded by Dave Nicponski.

Call vote recorded by Tim Tingey.

A _____ Jim Brass

A _____ Brett Hales

A _____ Jared Shaver

A _____ Dave Nicponski

A _____ Darren Stam

Motion passed, 5-0.

NOVASOURCE UPDATE

Tim Tingey stated that this group is looking to develop a hotel in the downtown and has been working with a property owner to purchase the parcel they are interested in. Staff has been working to negotiate potential incentives, which would be presented to the RDA for approval. He stated that there have been difficulties between the developer and property owner in reaching an agreement for the purchase of the property and that currently there are other parties interested in the parcel as well. Mr. Tingey stated that the hotel proposal is still viable but will require some additional negotiation and possible incentives from the RDA in order to move forward.

Jared Shaver asked about the size of the property. Tim Tingey stated that the existing strip mall would be demolished to create additional space, and the hotel is proposed to be adjacent to State Street and wrap around to Vine Street with parking on the east side. He stated that the hotel would be four stories, with five stories in some areas. There is a professional office component along with some commercial retail space on the main level, which is the type of development that is envisioned for the area. He stated that the incentives he would be willing to discuss on behalf of the RDA are infrastructure enhancements such as curb, gutter and sidewalk, landscaping enhancements, environmental remediation if those elements exist, and acquiring a portion of the Court Avenue right-of-way in order to eliminate the conflict between the north property owner and this proposed development site. Brett Hales stated that he understands that Mr. Chase, the current property owner, is interested in selling this parcel. Mr. Tingey agreed and said that the problem has been reaching a sale price that he is comfortable with.

DISCUSSION ON ORE SAMPLING MILL SITE LOCATED AT 5510 SOUTH 300 WEST

Mr. Tingey stated that this area was briefly discussed at last month's meeting. He said that this property is a bit of an eyesore located adjacent to the freeway. Over the past few months some interest has been expressed by some investors in revitalizing this property. He said that they would like to do a commercial project and have interest in maintaining some historical aspects of the building. Mr. Tingey has been asked if this site is in a redevelopment area and stated that it is not. He said that he would consider creating a redevelopment area around this property because it is a prime area for reinvestment, and he thinks it will be difficult to obtain reinvestment unless a redevelopment area is established. He said that the redevelopment area would encompass some surrounding parcels as well where there is underutilization of land.

Mr. Tingey stated that under state law, there are three types of redevelopment areas allowed, which are Urban Renewal Areas (URA), Economic Development Areas (EDA), and Community Development Areas (CDA). He said that CDA's are fairly new under state law. He stated that in order to develop a URA, the RDA would be required to develop a blight finding study to establish the condition of the area. There would have to be a finding of blight, which would have to be adopted by the City Council. Mr. Tingey stated that this process is somewhat costly, but the five existing redevelopment areas in Murray are URA's. He said that there must be a catalyst initiating development of a blighted or underused area and that there is limited use of eminent domain allowed in URA's. He said that this type of redevelopment area must be approved by the Taxing Entity Committee (TEC). Mr. Tingey stated that EDA's are focused on jobs and creating economic opportunities for the community and the state. A blight study is not required, and beneficial influences on tax base must be described. He said that EDA's are important when you have a business that is going to locate in the area and will be creating a number of jobs that can be quantified. EDA's must obtain TEC approval. Mr. Tingey explained that a CDA is more flexible and provides encouragement, promotion or provision of development. He said that this type of area does not require TEC review, but involves negotiating interlocal agreements with the taxing entities. He stated that a number of cities have elected to develop CDA's because there are fewer requirements. He said that he would recommend a URA or CDA in this area if it was decided that a redevelopment area should be established.

Jim Brass said that if the redevelopment area was only for the Ore Sampling Mill site he would agree that a CDA is the best option. However, if surrounding areas are included then a URA becomes a more logical choice due to the size of the area. Mayor Snarr discussed adjacent areas that may be beneficial to include in a new redevelopment area. Tim Tingey stated that he would avoid including areas adjacent to residential neighborhoods. Jared Shaver agreed, and stated that his questions relate to the acreage of the area to be considered. Mr. Tingey stated that he is seeking input from the RDA related to interest in pursuing a redevelopment area at this site. Darren Stam stated that there are several potential new RDA areas in the City, and he agrees that a decision should be made related to this area because it has been inactive for a long time. He said that it is an area that should be evaluated in order to create future development opportunities. Jared Shaver asked if it would be beneficial to identify a number of different areas to be evaluated further instead of this single area. Mr. Tingey agreed and said that he is aware of a few more properties that may also be viable as redevelopment areas. Jared Shaver proposed that multiple sites be evaluated to determine if redevelopment areas should be established. Mayor Snarr stated that a number of areas have been considered previously although it would have been difficult to establish them as blighted at that time. He said that the Ore Sampling Mill site was evaluated prior but it

was determined that the Fireclay area was more of a priority because of its size and location. He stated that he supports the RDA and staff in evaluating new areas for redevelopment to see if anything can be done.

FUTURE ITEMS

Mr. Tingey said that next month he will be presenting the Redevelopment Agency budget to the Board for review and input. He said that staff is also discussing the development of an incentive program per the direction provided in the strategic plan. He stated that staff received the County Auditor report outlining tax increment payments and that the City has been reimbursed the full amount that was generated by each area. He said that it appears the letters from staff made a difference in obtaining the full payment amount.

Meeting adjourned.

B. Tim Tingey, Executive Director