

Minutes of the Redevelopment Agency meeting held on Tuesday, May 17, 2012 at 1:30 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
 Michael Wagstaff, Executive Director
 Tim Tingey, Executive Director
 Chad Wilkinson, City Planner
 Justin Zollinger, Finance Director
 Citizens

Excused: Dave Nicponski

Mr. Hales arrived during the second agenda item.

Chairman Darren Stam opened the meeting.

APPROVAL OF MINUTES

Jared Shaver made a motion to approve the minutes from April 17, 2012. Seconded by Jim Brass.

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

DISCUSSION OF 2012 – 2013 BUDGET PROPOSAL

Tim Tingey stated that the RDA budget follows the same process as the City Council's budget although it has to be approved separately. He said that in prior years there were budget line items with funds remaining at the end of the year, particularly in the Central Business District (CBD). Staff has considered saving the funds for a larger project, such as an acquisition. He said that the funds that have accumulated over the past few years have been included in this proposed budget year because it appears to be an opportune time to pursue some projects. He stated that the NovaSource project is one that would be beneficial to participate in through a development agreement, and that RDA funds would be used for site enhancements, right-of-way work and possibly a parking structure. He stated that the increased funds in the property clean up line item would also be used for the Hoffman Building site improvements and striping the lot. Mr. Tingey said that the line item for land funds could be used to purchase property or to work with NovaSource. He pointed out that the School District amount has decreased from the previous year because of negotiations related to the expansion and extension of the CBD.

Mr. Tingey stated that Vine Street and Cherry Street reflect increases for revitalization assistance in case any requests are submitted, and also for plan reimbursement for projects. Mr. Shaver asked about the professional line item, and why there is a significant change. Mr. Tingey said that he foresees a possible partnership to do road enhancement projects and these funds would be used for engineering and design expenses. Mr. Shaver asked why the City would outsource this type of work. Mr. Tingey said that it is due to capacity issues of City staff in comparison to the volume of current road projects. Darren Stam

asked about the insurance line item. Jared Shaver stated that this line item is reflected in every budget, including RDA. Mr. Tingey said that in the Smelter Site budget the professional line item is being increased and acts as a placeholder in the event that additional development opportunities arise, and that hopefully there will be some new transit oriented development projects in this area. Mr. Shaver stated that as those projects come about staff will provide more detailed information related to these budgeted amounts. Mr. Tingey said that the low-income housing line item has also increased due to additional funding and a carryover from NeighborWorks, which will be expended as they continue to rehabilitate distressed Murray properties. He explained that the funding for improvements is also a placeholder for projects such as traffic light reconfiguration at this site. The decrease in the administration fee line item was discussed. Justin Zollinger explained that this line item has been balanced between all of the funds to be more equitable.

NOVASOURCE UPDATE

Tim Tingey stated that he has continued to negotiate with NovaSource regarding their project proposal. He said that they do have the property under contract for purchase and anticipate an August 1 closing date. He said that they want to complete planning and building reviews and approvals as well as negotiating a development agreement with the RDA. He said that the hotel proposal is for a Home2Suites, which is 106 rooms and will have 13,000 square feet of office and retail. He said that 8,000 of retail will be located on the main floor, and that the office space is being located on the top floor. Mr. Tingey said that this is a good project for the downtown area. Brett Hales said that the project looks really nice and he is surprised by how large the site is.

Tim Tingey said that in relation to a development agreement, there are three important public projects that will be included. He said that the City would attempt to acquire approximately twelve feet of Court Avenue in order to eliminate additional conflicts about the right-of-way. There are also some power lines that will be relocated underground in addition to enhancements on the right-of-way, such as curb, gutter and sidewalks and access elements along the perimeter of the site. Mr. Tingey stated that bond proceeds would be utilized for these improvements, which he estimates would cost about \$400,000. He said that the RDA would assist with environmental remediation for the site, and would also consider funding LEED certifications above what is required in the MCCD zone. He said that funding participation with these projects is in line with what was intended in the extension and expansion of the area. He said that the RDA would also participate in demolition costs, landscaping site improvements and some incentives for the parking structure. Mr. Tingey said that there would be some parking spaces designated for public use, which would be helpful for the adjacent businesses in the downtown area. He stated that he expects to have the development agreement details worked out soon and ready for review by the RDA in July.

Jared Shaver clarified that the RDA would not perform the demolition but would provide reimbursement for those costs. Mr. Tingey agreed and said that once the work is completed and a certificate of occupancy has been issued then the developer can submit an invoice with receipts attached to the RDA for reimbursement. He said that the development agreement will specify reimbursement limits that cannot be exceeded. Mayor Snarr asked how tall the building will be. Tim Tingey responded that it will be five stories. Darren Stam stated that if the parking garage is constructed well and concrete pillars are strategically placed that additional levels could be added later.

DISCUSSION OF SALT LAKE COUNTY AUDITOR REPORT ON TAX INCREMENT DISTRIBUTIONS

Mr. Tingey stated that the auditor's report has been provided to the Board. He said that in 2011 the Central Business District received \$35,000 less than what should have been paid. A letter was submitted outlining staff's concerns about the reimbursement. He said that this year the full amount was paid as requested, and that there have also been increases in the value of the area. He stated that the auditor's report summarizes what was paid for all of the areas and correlates with the amounts requested.

FIRECLAY AREA UPDATE

Tim Tingey stated that staff is working to resolve some issues that have come up with Miller Development. He said that engineering staff has been working to address the access issues and that he expects the rail crossing work to be complete by the end of next week. He stated that a temporary certificate of occupancy may be issued next week. Mr. Tingey said that the Birkhill Apartment project is still moving forward as planned and that the Medistar proposal is close to having a permit issued.

NEIGHBORWORKS UPDATE

Mr. Tingey said that next month he would like NeighborWorks staff to present information to the RDA regarding progress with the homes that were acquired and rehabilitated. Additionally, the contract with NeighborWorks needs to be modified to address the funding related to these projects and other funding clarification.

Meeting adjourned.

B. Tim Tingey, Executive Director