

Minutes of the Redevelopment Agency meeting held on Tuesday, June 19, 2012 at 4:00 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Present:       Darren Stam, Chairman       Jan Wells, Chief of Staff  
                  Dave Nicponski               Frank Nakamura, City Attorney  
                  Brett Hales                    Tim Tingey, Executive Director  
                  Jared Shaver                 Citizens

Excused:       Jim Brass

Mr. Hales arrived during the fifth agenda item.

Chairman Darren Stam opened the meeting.

#### APPROVAL OF MINUTES

Jared Shaver made a motion to approve the minutes from May 17, 2012. Seconded by Dave Nicponski.

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

#### NEIGHBORWORKS UPDATE

Tim Tingey stated that he is pleased to have NeighborWorks representatives present to provide an update to the RDA on current projects. He said that the RDA entered into a partnership with NeighborWorks a few years ago for the purpose of utilizing the twenty percent required housing funding to meet the needs of low-to-moderate income housing. He said that NeighborWorks has been proactive in their work to redevelop areas and rehabilitate homes.

Alison Smith, Neighborhood Director of NeighborWorks in Murray, stated that during the prior fiscal year NeighborWorks modified their agreement with the city in order to allow acquisition of boarded up and dilapidated homes within the city. She said that three homes were acquired within a target area around Box Elder Street. She said that the majority of homes in this area are over 100 years old. She said that rehabilitation has been completed for one home on Box Elder Street, and they are awaiting a permit to begin work on another. Ms. Smith said that they will be closing on another property on Hanauer Street at the end of the month. This home is in need of a new roof and has some plumbing related mold issues. She said that the prior owner raised animals in the house and that there is significant cleaning work to be done. She said that NeighborWorks also recently purchased a home on 700 West that is in need of demolition due to a history of drug manufacturing. She said that a new home will be built there that fits in with the surrounding area and will accommodate a larger family.

Dave Nicponski asked why the home on Hanauer Street isn't being demolished as well. Ms. Smith responded that the floor boards can be replaced in the Hanauer home, which will resolve the animal waste problem. She said that the other home has a stigma of being a methamphetamine home, and those chemicals can penetrate walls and other building materials. She said that although the house has been declared clean future homeowners would be hesitant to purchase the existing home due to that history. Darren Stam asked for the address of the home on 700 West. Ms. Smith responded that it is

approximately 6521 South 700 West. Jared Shaver clarified that most of the homes are refurbished and that this home is the only one being demolished. Ms. Smith agreed, and stated that she has invited Torri Gillies to the meeting to discuss her purchase of a rehabilitated home in Murray.

Torri Gillies stated that she searched for a home for over a year in Murray but couldn't find anything within her budget. She said that she is a single parent and could not afford to buy a home that needed extensive repairs. She said that her home was affordable and was ready to move into without needed repairs. She said that she is very appreciative of the work that was done. Mr. Shaver asked if Ms. Gillies works in Murray City. She responded that she works at McDonald's on 4500 South, and that she has lived in an apartment in Murray for eight years. She said that her son plays on the Murray High football team and she didn't want to move him out of the school district. The RDA board members thanked Ms. Gillies for sharing her experience.

Alison Smith stated that the home Ms. Gillies purchased was completely remodeled. The kitchen was redesigned and new flooring was installed throughout the home. She said that the garage behind the home was upgraded and that the front of the home was updated as well. Ms. Smith said that most people don't realize the number of older homes that fall into decline. She stated that between July 2011 and May 2012 there were only five queries related to rehabilitation loans. She said that since Thursday of last week she has received seven queries, and two applications have been submitted. One of the applicants had a branch go through her roof five years ago and it was never repaired. The home has no plumbing and the exterior has no remaining paint. Ms. Smith said that this applicant qualifies for a home improvement loan and is also a candidate for Paint Your Heart Out, which is an annual event that provides exterior painting of homes, through donations and volunteers, at no cost to the homeowner. She said that there are three applicants from Murray City this year. Jared Shaver said that he would like to have the City Council involved in activities like that and requested to be notified of when those events are taking place.

Mr. Nicponski asked how people are referred to NeighborWorks. Ms. Smith responded that they receive referrals in a number of ways but the best seems to be word of mouth. She said that they put notices in the Murray Journal as well. Tim Tingey stated that sometimes referrals are routed through the Community and Economic Development Division, which occurred with the home on Hanauer Street. He said that this month a section was added to the utility bills that provided information about NeighborWorks services. Ms. Smith stated that NeighborWorks has also created a new loan product to assist people with a high debt to income ratio. Mr. Stam thanked Ms. Smith for attending and said that he is pleased to see progress being made.

#### REVIEW AND DECISION ON ENDORSING NEIGHBORWORKS CONTRACT AMENDMENT WITH MURRAY CITY

Mr. Tingey stated that he serves on the NeighborWorks Salt Lake Board and the Murray City Advisory Board and is excited to see positive things happening. He thanked Ms. Gillies and Ms. Smith for attending the meeting. He said that many communities don't have programs established to utilize the twenty percent housing funds from tax increment financing, and he is pleased to be collaborating closely with NeighborWorks to handle the funds in the best way for Murray residents. He stated that the modification to the agreement is in section 4.6 and relates to program income being administered by NeighborWorks. Mr. Tingey stated that staff is proposing that funds obtained when a rehabilitated

property is sold be revolved back into the program. He said that NeighborWorks matches city contributions dollar for dollar. He stated that staff is recommending approval of this modification, and said that this issue will also go before the City Council tonight.

Jared Shaver made a motion to endorse the NeighborWorks contract amendment with Murray City. Seconded by Dave Nicponski.

Call vote recorded by Tim Tingey.

A \_\_\_\_\_ Jared Shaver

A \_\_\_\_\_ Dave Nicponski

A \_\_\_\_\_ Darren Stam

Motion passed, 3-0.

#### DISCUSSION AND DECISION ON PARLEY'S PARTNERS ELEVATIONS AND COLOR SCHEME PROPOSAL

Tim Tingey stated that the development agreement with Parley's Partners indicates that the RDA has to approve the participant's plans for substantial conformance with the concept plan that was identified in the agreement. He said that some minor modifications have been made to the plans although the renderings are still similar to what was previously approved. He stated that the plans promote the timeless look that the city is hoping to achieve in the Fireclay area. Mr. Tingey stated that staff is recommending approval of the elevation and color changes.

Hooper Knowlton with Parley's Partners displayed renderings showing where changes are being made and showing the updated color scheme. He said that cast stone is going to be used along the bottom portion of the building in certain areas instead of stucco because it is longer lasting. He said that shutters are being added next to some of the windows and that some of the wood trellises are being replaced by metal trellises, which will be powder coated for more durability. Awnings have been added and areas with brick are being extended. Mr. Knowlton said that the brick being used is a stencil stucco brick and it is hard to tell any difference from real brick. He said that arched windows are being replaced by rectangular windows. He stated that some stucco pony walls are being replaced with a more decorative railing. Dave Nicponski asked about the price difference between stucco and cast stone. Hooper Knowlton responded that cast stone is almost four times more costly but in the long run results in lower maintenance costs. He stated that the colors chosen for the project are more timeless and achieve the overall look that is envisioned for this area.

Dave Nicponski stated that he is impressed with the renderings. Jared Shaver said that he likes the shutters and the classic look that is being achieved. Darren Stam stated that the harder material along the ground level is a good choice. He said that he recently took previous City Council member Robbie Robertson to the Fireclay area and showed him a number of different projects. He said that Mr. Robertson was impressed by what is happening in that area. Hooper Knowlton said that he expects to have model units and the clubhouse ready in October in order to start marketing the site. He said that due to various agreements he cannot start collecting rent for any units until January 2013. Mr.

Nicponski asked about the pricing of the units. Mr. Knowlton responded that the affordable units will rent for \$130 to \$225 less than market rate units.

Mr. Stam asked about the office building status. Mr. Knowlton presented the initial schematic drawings for a 30,000 square foot, 3-story building on the corner of Fireclay and Main. He said that this will be the fourth phase of the project, and per the development agreement the building must be completed by the end of 2018. He stated that the finished materials will tie in with the surrounding buildings. He said that he plans to use a commercial broker to market this property in an effort to pre-lease the space. Mr. Stam thanked Mr. Knowlton for keeping the RDA updated on this project.

Jared Shaver made a motion to accept the elevation and color scheme proposal from Parley's Partners as presented. Seconded by Dave Nicponski.

Call vote recorded by Tim Tingey.

A \_\_\_\_\_ Jared Shaver

A \_\_\_\_\_ Dave Nicponski

A \_\_\_\_\_ Darren Stam

Motion passed, 3-0.

REVIEW AND DECISION ON REDEVELOPMENT AGENCY 2012 – 2013 BUDGET RESOLUTION

Mr. Tingey said that because the Redevelopment Agency is a separate entity their funds must be accounted for apart from the city's funds. He said that the public hearing this evening will include the Redevelopment Agency budget and that Justin Zollinger has included some of the proposed budget changes that were requested in relation to work with NovaSource and to facilitate future development opportunities. He stated that staff recommends approval of the Resolution approving the Redevelopment Agency budget.

Dave Nicponski stated that the amount budgeted for land purchase has decreased. Tim Tingey responded that reserve funds are generated each year when money isn't spent in redevelopment areas. Those reserves can be put toward future projects that are not yet identified. He said that in this case, there is a project identified that will use some of those funds. Jared Shaver said that the Redevelopment Agency can make the decision as to when to expend those funds.

Jared Shaver made a motion to accept the proposed Redevelopment Agency budget for 2012-2013. Seconded by Dave Nicponski.

Call vote recorded by Tim Tingey.

A \_\_\_\_\_ Jared Shaver

A \_\_\_\_\_ Dave Nicponski

A \_\_\_\_\_ Brett Hales

A \_\_\_\_\_ Darren Stam

Motion passed, 4-0.

### ECOMONIC DEVELOPMENT UPDATE

Mr. Tingey stated that staff and two Council members attended the Retail Convention of Shopping Centers last month and that it was very productive. He explained that there were scheduled meetings and a number of short visits at various booths. He said that they talked to In-N-Out Burger and learned that the market in Utah is not at a level for additional expansion at this time, and that they also met with Bass Pro Shops and discussed various retail locations in the City. He stated that Intercontinental Hotels is interested in the area around the hospital and that they also talked to a few other hotel groups. Mr. Tingey said that last year he met with the Hilton group and was able to connect them with NovaSource, resulting in the currently proposed hotel project. He stated that Eclipse Development specializes in mixed use development and staff met with them to discuss transit oriented development (TOD) areas and the downtown. He said that they met with Hawkins Companies to discuss larger retail developments, and also with Wal-Mart to discuss a potential neighborhood market in the TOD. He said that they met with Alberta Development related to mixed use in the downtown and staff was impressed with their other developments. He said that Alberta was interested in the downtown area and the proximity to the hospital. Mr. Tingey said that they met with Forest City representatives who had expressed interest in the downtown and transit oriented areas when he met with them previously. He stated that Forest City arranged a tour of the Las Vegas City Hall which they developed. He said that they met with another developer from Triple Five Group but they don't have plans to start developing in Utah at this time. He said that the meeting with RED Development was positive and that they have interest in some sites in Utah for mixed use development to include grocery store possibilities. Mr. Tingey said that he looks forward to meeting with this developer again.

Jared Shaver stated that he recently visited a mixed use development that had a Trader Joe's grocery store on the ground floor and apartments on the upper levels. He said that across the street there was a small pizzeria, dry cleaner and video store on the ground floor with additional apartments above. He stated that the development was similar to what is envisioned for the downtown area. Tim Tingey stated that staff will follow up with these developers to set up additional meetings to further discuss opportunities in Murray.

Brett Hales asked about the status of Zupas moving into the area where the new Marriott is proposed. Mr. Tingey stated that at this time Zupas has not expressed additional interest in opening at that location. Mr. Hales asked if there is another restaurant proposed for the area near the hotel. Mr. Tingey responded that there is nothing proposed at this time.

### NOVASOURCE UPDATE

Mr. Tingey stated that he hopes to have a development agreement ready for the Redevelopment Agency to review next month. He said that he has worked with Frank Nakamura to develop a draft of the agreement, which has been sent to NovaSource for review. He stated that there will be two separate development agreements if this project comes to fruition. He said that the agreement with the RDA will fund LEED components, landscaping elements and investment in a parking structure. He said that the agreement with the city, which will use bond funding, will be put toward public projects such as

relocation of power lines, acquisition of right-of-way, and curb, gutter and sidewalk improvements around the site. Mr. Tingey said that a consultant is being hired to complete a study in order to be in compliance with state law in relation to the Price vs. Orem case.

Jared Shaver asked if both of the agreements will be reviewed by the RDA, or if the agreement with the city will be considered by the City Council. Tim Tingey responded that the City Council will consider the agreement with the city. He said that both agreements should be going through the consideration process concurrently. He stated that the developer is hoping to close on the property on August 1<sup>st</sup> and would like the agreements to be in place at that time.

#### FIRECLAY AREA UPDATE

Mr. Tingey stated that in addition to Hooper Knowlton's update on his project, there is also progress being made on the Fireclay Villages project. He said that two of the buildings have Certificates of Occupancy, and that more final inspections will be requested near the end of the month. He stated that letters have been sent to the developer detailing concerns about the rights-of-way being completed prior to requesting Certificates of Occupancy. Jared Shaver stated that there are tenants in two of the buildings.

Tim Tingey said that Medistar has received their permit to begin work on the critical care facility. He said that staff completed some documents for them to submit for financing. He said that construction is not moving very quickly due to some environmental issues that must be addressed. Brett Hales asked about the anticipated completion date. Tim Tingey responded that they hope to have the facility completed next spring.

Dave Nicponski asked when the hotel on 5300 South will break ground. Tim Tingey replied that he anticipates demolition of the existing buildings soon. He said that the developer will be closing on the adjacent property he is purchasing from the county at the end of this month. He expects them to start breaking ground at the end of August.

Meeting adjourned.

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B. Tim Tingey, Executive Director