

Minutes of the Redevelopment Agency meeting held on Tuesday, March 19, 2013 at 4:30 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Present:	Jim Brass, Chairman	Mayor Snarr
	Jared Shaver	Jan Wells, Chief of Staff
	Dave Nicponski	Frank Nakamura, City Attorney
	Brett Hales	Tim Tingey, Executive Director
	Darren Stam	Jan Lopez, Council Administration
		Citizens

Chairman Jim Brass opened the meeting.

APPROVAL OF MINUTES

Darren Stam made a motion to approve the minutes from January 22, 2013. Seconded by Jared Shaver.

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

DOWNTOWN DEVELOPMENT GROUP DISCUSSION

Tim Tingey stated that there have been a few meetings with Woodbury Strategic Partners regarding development opportunities in the downtown. He said that Woodbury is interested in reviewing the market and determining what options are available. RDA staff has drafted a Memorandum of Understanding to be entered into with Woodbury and Mr. Tingey presented the elements of the Memorandum for discussion.

The Memorandum of Understanding includes developer obligations. Mr. Tingey explained that these include an initial site visit and key stakeholder meetings in order to become familiar with the characteristics of the area, familiarization with the City Code, and evaluation of the market demand. He said that during this phase the developer may invite commercial, retail and residential brokers to gather market data, after which the developer would do a preliminary market analysis. He said that the next step would be a pro forma evaluation to determine the economic viability of markets, followed by an updated site market plan. The developer would then work with the RDA to refine the site concept plan and market details. Mr. Tingey explained that the next step would include looking at funding strategies and providing alternative sets of financial projections to the RDA including development and pro forma costs. He said that a determination would be made related to RDA participation with public funding. He said that all of these processes will be completed by September although the developer has indicated that they would like to be finished sooner.

Tim Tingey said that the Redevelopment Agency also has obligations outlined in the Memorandum of Understanding. He said that the RDA will cooperate and assist in obtaining reports, studies and historical data with respect to the parcels comprising the Redevelopment Project Area (RPA). He said that the RDA would also evaluate information provided by the developer, such as market information and concept plans. He said that the Executive Director of the RDA would be appointed as the liaison with the developer. Mr. Tingey said that if the developer determines they do not want to proceed with this project after this process is completed, the Memorandum would allow the RDA to expend up to \$15,000 for the compiled information in order to share it with other development groups in the future. Jared Shaver asked if the payment amount is accounted for in the current year's budget. Mr. Tingey confirmed that it is budgeted in the Professional line item in the Central Business District.

Mr. Tingey stated that as far as public funding sources, staff would identify potential redevelopment funding options and processes, such as tax increment financing and other funding sources. He said there is currently a regional group that is evaluating obtaining federal funding for economic development projects which may be a

possibility. He said that the RDA may also facilitate property acquisition and recruitment of tenants. Tim Tingey summarized that the intent of the Memorandum of Understanding is to develop a partnership to move towards redevelopment in the area, and also to advance to a formal Development Agreement if the RDA is comfortable in doing so.

Jared Shaver stated that the RDA needs to have a very strong idea of what should be developed in the downtown area. He said a district has been created and a vision established for the area. Tim Tingey agreed, and said that the developer's role is to evaluate the market information and create a concept plan that integrates what the RDA has established is important to see in the area. Jim Brass said that the MCCD ordinance specifies the look and feel intended for the downtown area, so the City is well prepared to move forward. He said that parking is a factor in any development in the area, and the building of a parking structure should be discussed moving forward. He said that this issue would be negotiated in a full Development Agreement in the future.

Tim Tingey stated that he met with State and Vine LLC to discuss the status of their project. He said that DEQ has given the developer a "No Further Action" letter related to environmental condition of the site. The developer has entered into agreements with Subway and Alberto's to move into the 10,116 square feet of retail on the main level of the hotel, and negotiations with Wasatch Broiler are ongoing. He said that the developer anticipates three to four restaurants on the lower level, and there will still be additional space for offices or other retail. He said that building plans will be submitted within the next week, and requests for bids will be going out to potential contractors on March 27th. Mr. Tingey said that the current tenants at the site will be closing at the end of the month and the property is to be vacated by April 7th. He said that the developer has been working with UDOT related to access elements and a final approval is anticipated soon. He said that RDA staff has been working with the Power Department on power line relocation, which is contingent on the demolition process. He stated that a groundbreaking is anticipated in early May. Mr. Tingey said that the Tea Rose Diner has also talked to him about different locations in Murray.

REDEVELOPMENT AGENCY BUDGET DISCUSSION

Tim Tingey stated that the formal budget will be presented in May. He said that there are not a lot of significant changes proposed. He said that in the Central Business District there is a City commitment of \$250,000 going towards the demolition and other site work for the Hilton Hotel project. He said there is also an obligation to cover costs of an environmental review in relation to the Taylorsville/Murray BRT study. He stated that there may potentially be a \$15,000 payment to Woodbury for analysis of the downtown area. He said that there will likely be an increase in administrative fees paid to the City in relation to the cost allocation study. Mr. Tingey said that staff had anticipated power line relocation at the Hilton site to cost \$200,000 but the actual costs are proving to be \$30,000 - \$50,000 more.

Mr. Tingey stated that the RDA has obligations in the upcoming year for improvements to the Fireclay Avenue rail crossing. He stated that the costs will be approximately \$200,000 and that it is proposed that the RDA front those costs from the reserve funds. He said that when the Fireclay area increment starts the reserve fund will be reimbursed. Darren Stam asked if Miller Development will be sharing any of the cost for the rail crossing improvements. Mr. Tingey said that participation from Miller Development will be pursued but is not guaranteed.

FIRECLAY AREA UPDATES

Tim Tingey stated that by the end of the week the majority of the Birkhill project residential units will have Certificates of Occupancy. He said that Henry Walker Homes has submitted plans for nine live/work units and he anticipates construction to begin in the next few months. He stated that Medistar will be obtaining a Certificate of Occupancy at the end of spring or early summer. He said that Fireclay Villages has also requested a number of Certificates of Occupancy for their buildings which should be approved in the next few weeks. He stated that the

30,000 square feet of office space that is part of the Birkhill project is now being marketed. The Board discussed how many units are occupied and the level of TRAX ridership. Mr. Tingey stated that once the project is completed more accurate numbers will be available.

Darren Stam stated that Certificates of Occupancy are being issued for the Birkhill Apartments although the parking structure is not complete and wanted to know how this issue is being handled. Tim Tingey responded that there is an area for temporary parking, and that there are some places in the parking structure that can already be used.

OTHER ECONOMIC DEVELOPMENT UPDATES

Tim Tingey stated that the first Lego store in Utah is locating at Fashion Place Mall. He said that Utah Business Magazine has selected Pat Richards from SelectHealth as one of the top CEO's of the year. He stated that the Marriot Hotel project is moving forward and a demolition permit was issued last week. Mayor Snarr said that he has met with the developer and that demolition is scheduled to begin tomorrow. He stated that the grading permit has not been obtained at this time, and that there is an area adjacent to the building site that will require significant fill because it is very low. He referenced the plan to construct a tiered retaining wall with shrubs. Dates for a groundbreaking were discussed. Tim Tingey said that the Oral and Facial Surgery Center, located on 900 East, had a ribbon cutting last week and is a very nice development.

Meeting adjourned.

B. Tim Tingey, Executive Director