

Minutes of the Redevelopment Agency meeting held on Wednesday, June 19, 2013 at 3:30 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

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

Excused: Dave Nicponski

Chairman Jim Brass opened the meeting.

APPROVAL OF MINUTES

Jared Shaver made a motion to approve the minutes from May 7, 2013. Seconded by Darren Stam.

A voice vote was made. The motion passed, 4-0.

REVIEW AND APPROVAL OF THE PROPOSED MEMORANDUM OF UNDERSTANDING WITH WOODBURY CORPORATION

Tim Tingey stated that a summary of the Memorandum of Understanding has been provided in the agenda packet and includes some minor modifications. He said that the deadline to have obligations completed has been extended to June 2014 and that the developer has requested an increase in funding from \$15,000 to \$22,500 due to the scope of services. He stated that staff believes the increase is appropriate due to the number of tasks outlined in the Memorandum. Mr. Tingey said that it is exciting to partner with Woodbury to evaluate this area and identify future opportunities. He stated that Stan Hoffman and Zach Beynon are present today to represent Woodbury Strategic Partners. He said that staff is recommending approval of the Memorandum of Understanding.

Darren Stam asked if the Memorandum would preclude other developers that have interest in assessing this area from moving forward. Tim Tingey said that the Memorandum is an agreement to evaluate the area, and if other groups express interest in making an evaluation they could do so. He said that the intent of the Memorandum of Understanding is to eventually enter into a development agreement with Woodbury Strategic Partners, and that it would not prevent other groups from moving forward with development proposals.

Stan Hoffman with Woodbury Strategic Partners stated that many members of his team have deep roots within this community. He said that Murray is an ideal destination place and he is looking forward to working in-depth with the City on a project of scale.

Jared Shaver made a motion to accept the proposed Memorandum of Understanding with Woodbury Strategic Partners. Seconded by Brett Hales.

Call vote recorded by Tim Tingey.

 Jared Shaver
 Brett Hales
 Darren Stam
 Jim Brass

Motion passed, 4-0.

Darren Stam thanked the representatives from Woodbury Strategic Partners for attending the meeting and expressed appreciation for their efforts. Jim Brass stated that he is excited about the concept being discussed.

DISCUSSION OF A PROPOSED REDEVELOPMENT AREA AT THE ORE SAMPLING MILL SITE AND ADJACENT AREAS

Tim Tingey stated that there have been prior conversations about future redevelopment areas to consider. He said that the Ore Sampling Mill area was one of those identified for redevelopment and over the past few months there has been some interest expressed by various property owners in this area in support of establishing a redevelopment area. He said that recently RDA and City staff were able to tour the Ore Sampling Mill and thanked Paul Ogden for his efforts to make that possible.

Mr. Tingey stated that there have been multiple meetings with Pennbridge Capital and Kimball Development about the possibility of creating a redevelopment area. He referred to a memo from Ryan Kimball and Tom Lewis that stated that verbal assurances were made by City staff that this was a likely redevelopment area, and then stated that opinions had drastically changed in relation to creation of a redevelopment area. Mr. Tingey stated that for clarification, RDA staff has discussed this area in detail with the respective groups and have conveyed that the RDA board has also discussed this area and the desire to further evaluate the possibility of creating a redevelopment area. He said that the need for additional investment possibilities was discussed and that other interested property owners in the area were contacted to provide letters of support. He stated that the first step in moving forward is to assess the area and move through the process to create a redevelopment area. Mr. Tingey said that the process is very intensive and a number of factors must be in place, including research related to the area. He said that any type of redevelopment area must be approved by the Taxing Entity Committee (TEC), whom will ask a number of difficult questions and will require a solid basis for why an area should be approved. He said that one solid basis is multiple property owners looking at potential redevelopment. Mr. Tingey said that once an area is created the RDA will consider the possibility of working with developers on individual properties and participating with projects. He explained that development agreements are evaluated on a case-by-case basis and consider the type of project, investment amount and barriers to development. He stated that he is requesting that the RDA Board give direction to staff to start moving forward in evaluating the creation of a redevelopment area. This would include hiring a consultant and doing the necessary research in preparation of conversations with the TEC members. He said that staff believes this would be an ideal Community Development Area (CDA), which would mean that individual negotiations would take place with taxing entities. Following completion of the negotiations, staff would come back to the RDA and City Council to request that the redevelopment area be created. Mr. Tingey stated that this is not a short process and he anticipates that it will take a minimum of six months before an area is created.

Jared Shaver stated that when considering a redevelopment area, the impact on the community must be evaluated and that an area should not be created for a single project. Mr. Tingey agreed and said the entire area needs to be evaluated.

Jim Brass opened the meeting for comments from the public.

Tom Lewis from Pennbridge Capital stated that he is interested in the development of a redevelopment area. He stated that many of the sites in the area do not have specific remediation or infrastructure needs, but the barrier to development is that it is an industrial, blighted area. He said that he does not believe there is an obligation for the City to front any money for a project in the area and that tax increment would be paid on a reimbursement basis after the project has started. Mr. Lewis stated that he believes the area hasn't developed and likely won't develop unless there is some sort of redevelopment area established. He said that he recently received a report related to

building adjacent to the train tracks and there are going to be increased costs related to sound barriers and materials used in the building. He stated that if the proposed hotel project moves forward in this area then other projects will follow if there is a tax increment incentive.

Paul Ogden from Coldwell Banker stated that he has been involved with the Ore Sampling Mill for over twenty years representing various owners. He said that the evolution of 300 West, Trax, State Street, the Frontage Road, I-15 and now Frontrunner has put the Mill into a very unique situation with respect to visibility from all of these transportation routes. He said that this visibility creates an opportunity for the City and that this building is one of the few important pieces of Murray City history that is left. Mr. Ogden stated that everyone who has inspected or toured the building has agreed that it should be kept the way it is. He said that the structure is well built and flexible and can be adapted for any use from residential to heavy industrial.

There were no further comments from the public.

Jared Shaver stated that the area certainly has potential for wonderful development. He said that the challenge is to encourage the other taxing entities that an RDA in this area would be beneficial for all involved. Darren Stam stated that there must be a strong reason to request that taxing entities give up some increment because if not, it will be harder for the City to negotiate with these entities on future areas. He said that it is important to keep in mind that the impact reaches further than whether this area is a candidate for redevelopment. He stated that everyone agrees it is an area that could be improved but it is important to argue the right points. Jim Brass stated that it is a good area for a CDA because of Murray tax rates and the effect on the participating taxing entities. He said that he is supportive of renovating the Ore Sampling Mill. He said that the hospital development and the two hotels currently being built will continue to draw people and businesses into the City.

Jared Shaver moved to direct staff to move forward with the planning work for creation of a CDA for the site. There were no objections from the Board.

REVIEW AND APPROVAL OF A RESOLUTION ADOPTING THE 2013-2014 REDEVELOPMENT AGENCY BUDGET

Tim Tingey stated that because the Redevelopment Agency is a separate legal entity, the budget must be reviewed and formally approved apart from the City budget. He said that staff is recommending approval of the budget resolution as submitted.

Darren Stam made a motion to approve the resolution adopting the 2013 – 2014 Redevelopment Agency budget. Seconded by Brett Hales.

A voice vote was made. Motion passed, 4-0.

ICSC GLOBAL RETAIL CONVENTION REPORT

Tim Tingey stated that Mayor Snarr, Jared Shaver and Dave Nicponski attended the convention with him this year. He said that they were able to meet with a number of different retail groups and other development entities. Over the past few years staff has been able to establish relationships with a number of development groups that attend ICSC and met with them again to discuss opportunities in the Central Business District and Fireclay area. He stated that this year City staff focused on meeting with potential neighborhood grocery developers in hopes of gaining interest in some of these areas. Mr. Tingey reviewed the list of developers that staff met with at ICSC and the types of projects that were discussed. He said that is interesting to see what is happening with the retail market throughout the world and to meet with potential developers. Jared Shaver stated that he has some questions related to a Utah group that he would like to discuss at a future date.

DEVELOPMENT UPDATES

Tim Tingey stated that the groundbreaking for the Hilton development on State and Vine took place a few weeks ago. He said that the hotel on 5300 South is also moving forward and both projects are a great investment into the community. He stated that there has been positive feedback related to these projects and both hotels are scheduled to open next year in either the spring or summer. He stated that he met with General Growth this week to discuss Fashion Place Mall and potential retailers for the Sears site. He said that he anticipates an announcement in the next few months related to that anchor area. Mr. Tingey said that there is a University of Utah development being proposed near 6100 South and Fashion Boulevard and that staff has met with University representatives to discuss the project. He said that significant square footage is proposed in this University clinic development.

Jared Shaver stated that once the new Junior High is completed that some property on State Street will then become available. He asked if there has been any interest expressed for that site. Mr. Tingey replied that there has been interest expressed but the timeframe for building the new school will be a few years and it will be quite a long time before anything can be developed along State Street in that area.

Meeting adjourned.

B. Tim Tingey, Executive Director