

Minutes of the Redevelopment Agency meeting held on Tuesday, January 21, 2014 at 4:00 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Present:	Jim Brass	Mayor Eyre
	Diane Turner	Jan Wells, Chief Administrative Officer
	Brett Hales	Janet Towers, Executive Assistant to the Mayor
	Blair Camp	Frank Nakamura, City Attorney
	Dave Nicponski	Tim Tingey, Executive Director
		Jan Lopez, Council Administration
		Doug Hill, Public Works Director
		Chad Wilkinson, Community & Economic Development
Manager		
		Citizens

Chairman Jim Brass opened the meeting.

Dave Nicponski arrived during the fourth agenda item.

WELCOME TO NEW BOARD MEMBERS

Jim Brass welcomed Blair Camp and Diane Turner as the new RDA board members.

APPROVAL OF MINUTES

Brett Hales made a motion to approve the minutes from October 15, 2013. Seconded by Blair Camp.

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

ELECTION OF OFFICERS

Jim Brass asked for nominations for Chair of the Redevelopment Agency. Diane Turner nominated Jim Brass. Seconded by Brett Hales. There were no other nominations made.

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

Jim Brass asked for nominations for Vice-Chair of the Redevelopment Agency. Brett Hales nominated Diane Turner. Seconded by Blair Camp. There were no other nominations made.

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

Jim Brass stated that representatives also need to be elected to the Taxing Entity Committee (TEC). Representatives on the TEC meet with a number of taxing entities on an annual basis and must obtain approval from this committee when a new redevelopment area is proposed. In past years the representatives on TEC have been the Chair and Vice-Chair of the RDA, although it doesn't have to remain that way.

Brett Hales recommended that the Chair and Vice-Chair of the RDA also serve as representatives on the TEC. The recommendation was not opposed.

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

COMMUNITY DEVELOPMENT AREA (CDA) PROPOSAL DISCUSSION

Tim Tingey stated that Salt Lake County has provided some information related to implementing criteria for evaluation of proposed Community Development Areas (CDA). Christina Oliver from Salt Lake County has provided a draft of the policy parameters and requested input from staff. He explained that the issue has been discussed with the RDA Chair and the City Attorney. It makes sense that the county wants to establish criteria, however there are some concerns about a few specific items. Mr. Tingey stated that he submitted a response letter to Ms. Oliver expressing general support of the policy and also outlining some items that should be addressed. He stated that those items include no tax increment financing in the event of job relocation from within the county, caps on housing that needs additional clarification, and collection of increment on retail establishments. Additionally, there are concerns about requiring the project to trigger within twenty-four months or repeat the approval process. Mr. Tingey said that it would be difficult to enter into a development agreement if the developer would potentially not receive any increment or would be required to repeat the approval process. He said that the county is taking another look at the draft and plans to modify some of the policies before sending out an updated document for review by the affected cities.

Blair Camp asked if there has been a limitation on trigger dates previously. Tim Tingey replied that there have not been limitations previously. He said that the county wants projects to move forward in a timely manner. Mr. Camp asked if the limitation would fix the problems that have arisen in different areas. Mr. Tingey replied that it would, however he thinks that the limitation should be five years and not two as proposed. Jim Brass agreed and said that the economy often dictates how projects move forward.

REDEVELOPMENT AGENCY AND AREA OVERVIEW

Jim Brass stated that he would like the new board members to be aware of the different project areas and the activity that has taken place over the years. Mr. Tingey explained that there are three types of redevelopment areas allowed under State Code, including Urban Renewal Areas (URA), Economic Development Areas (EDA) and Community Development Areas (CDA). He said that to establish an URA there must be a blight study, a catalyst for initiating development of underutilized property, limited use of eminent domain, approval from the TEC and twenty percent set aside for housing. He said that Murray City does not pursue eminent domain in any redevelopment areas. In an EDA, the focus is on job creation and economic opportunities for the community. The beneficial influence on the tax base must be described in a plan, business and economic activity must be outlined and there must be approval by the TEC. Mr. Tingey said that CDA areas encourage development and although there is no requirement for TEC approval, each taxing entity must be negotiated with individually and develop interlocal agreements to create an area. Jim Brass stated that if any of the entities don't support a project it won't go through. He said that the City has worked hard to maintain a positive relationship with the school district and that they have been supportive on past projects.

Mr. Tingey stated that there are five Urban Renewal Areas in Murray and most of them were created over ten years ago. The Central Business District (CBD) originally included a portion of the Smelter Site and Fireclay areas. Those areas were later removed and put into newly created redevelopment areas. There is a limited area within the Central Business District that generates tax increment. In 2010 RDA staff was able to modify the CBD by expanding the area and extending the time frame for collection of tax increment by twenty years. The commitment's in this area include repayment of a loan to the City for some planning work, a development agreement with State and Vine LLC for site work on the Hilton Hotel project and a memorandum of understanding with Woodbury Strategic Partners for evaluation of the market in this area, which will hopefully lead to a development agreement.

Mr. Tingey stated that in the Fireclay area the RDA has entered into development agreements with three entities including Hamlet Development, Fireclay Villages LLC and Parley's Partners. All of the projects have a mixture of commercial and residential components. The area plan was approved in 2005 and is established in a Transit Oriented Development zone. Tax increment is collected at 100 percent for twenty years, with twenty percent designated for housing, five percent for administration and twelve percent for the education mitigation fund. He said that tax increment collection begins this year, and that there are a few other agreements in place in Fireclay for reimbursement to the City for infrastructure projects. Mr. Tingey explained the reimbursement structure for each of the development agreements in place. Dave Nicponski asked about the number of residential units in the Hamlet development. Tim Tingey responded that there are sixty-nine townhouse and live/work units, and forty-one condominium units with the balance being commercial.

Tim Tingey stated that the Fireclay Investment Partners project was to be completed in three phases. Phase one included the bridge over 4500 South. If the commercial property for phase three is not acquired by December 31, 2014 then the Redevelopment Agency is not obligated to pay increment on phases two and three. He said that this project includes 668 residential units and 60,000 square feet of commercial space. Blair Camp asked if this project includes the property where the foam plant is. Tim Tingey responded that it is supposed to although at this time the property has not been acquired by Fireclay Investment Partners. He said that Parley's Partners has been developing a project on the east side of Main Street, which was originally part of Hamlet's project but was sold off. This project will include 311 residential units and 30,000 square feet of commercial space. The lower level residential units have been built to commercial standards so that in the event that the market changes they can be easily converted. He stated that Murray City has also committed to completing some enhancements near the Fireclay TRAX line.

Tim Tingey stated that the Smelter Site RDA was adopted in 1999. He said that increment collection began on the Smelter Site, East Vine Street and Cherry Street in 2009. The Smelter Site has 100 percent collection for fifteen years. The twenty percent housing set-aside in this area is being utilized for the partnership with NeighborWorks of Salt Lake. There are some additional commitments in the Smelter Site primarily to reimburse the City for environmental and infrastructure work. He said that the East Vine Street area was established in 1992 and increment collection will take place for fifteen years. Most of the projects in this area were infrastructure improvements. The Cherry Street area was established near the same time and the projects included infrastructure improvements. There are currently no agreements in place for this area. Jim Brass stated that many of these projects stalled when the economy dropped, but progress is being made now in the Fireclay area and with the hotel being constructed in the Central Business District. These are the types of results the TEC likes to see.

ORE SAMPLING MILL AREA UPDATE

Tim Tingey stated that the RDA Board previously directed staff to evaluate creation of a new redevelopment area plan encompassing the Ore Sampling Mill site. This site is located near the Cottonwood Street overpass by 5300 South. He said that the property was recently sold and is in the process of being cleaned up. Staff has been working in conjunction with Zions Bank Consulting to evaluate creation of a CDA. Currently the consultants are working on a draft area plan that will be discussed with the Redevelopment Agency in the upcoming months. Mr. Tingey stated that the boundaries will need to be evaluated as the area will include the Ore Sampling site and a number of parcels to the east, west and south of that site. He said that if the RDA chooses to proceed with creation of a redevelopment area then the next step will be working with the TEC to negotiate interlocal agreements. Diane Turner asked how large this area is. Mr. Tingey responded that it's between twenty and thirty acres. He said that the RDA may consider participating in projects that include property and

environmental clean-up, parking, and pedestrian connections. Blair Camp asked if Riley Lane is included in this area. Tim Tingey responded that the parcels west of Riley Lane have been included because they are zoned commercial and there are some underutilized properties. He said that east of Riley Lane is primarily residential, which wouldn't be included in a redevelopment area.

Meeting adjourned.

B. Tim Tingey, Executive Director