

Minutes of the Redevelopment Agency meeting held on Tuesday, December 6, 2016 at 3:30 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Present:            Diane Turner                    Mayor Ted Eyre  
                      Brett Hales                        Janet Towers, Executive Assistant to the Mayor  
                      Blair Camp                        Jan Lopez, Council Administration  
                      Jim Brass                         Tim Tingey, Executive Director  
   Jennifer Kennedy, City Recorder  
   Frank Nakamura, City Attorney

Excused: Dave Nicponski

Chairwoman Diane Turner conducted and opened the meeting.

#### APPROVAL OF MINUTES

Ms. Turner stated that the minutes from the meeting on October 18, 2016 are prepared for approval. Jim Brass made a motion to approve the minutes. Seconded by Blair Camp.

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

#### MURRAY CITY CENTER DISTRICT (MCCD) AND CENTRAL BUSINESS DISTRICT REDEVELOPMENT UPDATE

Tim Tingey provided a brief overview of the downtown redevelopment project. He stated that over a year ago the City and Redevelopment Agency entered into an exclusive developer agreement with J.R. Miller Enterprises after completing a request for a qualifications process. There has been significant work done on a variety of items related to the development of the downtown with both public and private elements, including some programming aspects for a new City Hall as well as private investment on some of the Redevelopment Agency properties. Mr. Tingey explained that City staff has completed an extensive evaluation of the procurement process to ensure that the City is adhering to state code requirements and making the process as transparent as possible. Originally, in the request for qualifications process and as part of the exclusive developer agreement, a team was established that included architectural, landscape architect, and construction groups as well as J.R. Miller Enterprises and others working on this project. Staff is working to establish contracts with all of the involved organizations. Staff members met with the State of Utah procurement representatives, including the Director of the State Department, to discuss procurement processes. Staff then met with outside legal counsel to verify that the City is complying with procurement processes. He stated that staff is currently working on scopes of work and contracts to have a construction manager in place, which will be J.R. Miller Enterprises. Additionally, there will be a professional services agreements with HKS Architects for design of the new City Hall, some of the parks and open space elements and the parking structure. HKS Architects is part of the development team put together by J.R. Miller Enterprises and were involved in the request for qualifications proposal.

Tim Tingey stated that Think Architecture has been selected to design the new Fire Station. They were also part of the development team and have extensive experience in building fire stations across the valley, including several in Murray City. He stated that a professional services contract is currently being prepared for the City to proceed with having Think Architecture design the Fire Station. Once all of the contracts are in place, staff will continue to move forward on finalizing the programming for the City Hall and work towards obtaining the construction drawings in preparation of putting the project out for bid. Mr. Tingey explained that the City and state procurement process requires a formal bid to take place for selection of a contractor.

Frank Nakamura said that procurement is a very critical issue and it is important to ensure that the correct processes are followed. This issue has been discussed with the City Procurement Officer, Brent Davidson, along

with members of a committee that was established to review procurement issues which included Justin Zollinger, Doug Hill, Mayor Eyre, Frank Nakamura and Tim Tingey. He said that there is a different process that can be followed for establishing professional service contracts, such as when an architect and construction manager are selected. Mr. Nakamura assured the board that the established state fee criteria, guidelines and standards will be followed. Tim Tingey stated that the City will be contracting with a consultant group called MOCA to assist in working through various processes including working with the construction manager, the contractor, historic preservation issues and design elements. It is beneficial to have an additional set of eyes on this project and the consultant has extensive experience in this type of development.

Tim Tingey provided an update on property acquisition in the downtown area. There are a number of properties that have been acquired as well as some that are currently under contract or in the process of negotiation. There are properties along State Street and Poplar Street that the City and RDA have owned for quite some time, and the acquisition of properties is taking place primarily west of Poplar Street. The focus has been to acquire the parcels where the parking structure will be located near 4800 South and in the area where future open space and potentially a new City Hall could be constructed. Mr. Tingey stated that much of the acquisition work has been done through the partnership with JR Miller Enterprises and their realtor, Kasey Kershaw, who is present at this meeting. A number of these properties were put under contract with J.R. Miller Enterprises, and the contracts were then assigned to the City to finalize the purchase. Staff has already contracted for asbestos clean-up at some of the recently acquired properties and demolition will take place very soon, which is a positive thing due to ongoing code enforcement issues at these locations. There is still a lot of work to be done but the acquisition processes are moving forward. Additionally, there is a purchase and sales agreement for the UTA property that is currently in process for signatures and is the proposed location for a new Fire Station.

Tim Tingey briefly summarized the funding for downtown projects and stated that bonds are in place for property acquisition in order to move forward with the parking structure. There will be additional bond discussions and financial items presented to the RDA and City Council for consideration in the upcoming months as staff works towards coordinating construction of a new City Hall. He said that bonds will be used for financing this project in addition to tax increment financing funds that have already been utilized for property acquisition. He stated that the developer is currently working on additional private investment in the downtown area and have submitted plans to the Murray City Center District Design Review Committee for a proposed 120,000 square foot office building on the corner of 4800 South and State Street. He anticipates that the proposal will be reviewed by the Planning Commission for a Certificate of Appropriateness early next year, and this project includes the potential lease with Utah State University and hopefully other tenants to be located in the new building. The developer is also considering a variety of other projects in the area including hotels, mixed use with residential units on the upper floors, assisted living facilities and additional office buildings. These projects will include an evaluation of issues related to historic preservation and how the code applies to these proposals. Mr. Tingey stated that there will be many items presented to the RDA and Council in the upcoming months, especially related to the use of tax increment financing.

There are a number of infrastructure elements as part of this downtown project area. Mr. Tingey stated that a new road has been proposed that is an extension of Hanauer Street, and will connect from Hanauer to just north of 4800 South, and then through the project area down to Vine Street. This road connection has been discussed and planned for a number of years and it was included as part of a study that was done using federal, state and county funds. He said that the Public Services Department is now working to start the process for design of the new street, and property acquisition is a factor that needs to be finalized in order to move forward. Utilities will have to be relocated to accommodate the new road, and the utilities in Poplar Street will also have to be considered as it is expected that an application will be submitted to vacate that street. He said that park and open space elements are expected to be located just east of the new Hanauer Street, and it is likely that the Townsend home will be relocated and preserved in the open space area. Mr. Tingey stated that all of these elements are very important related to timing with the whole project.

Tim Tingey stated that he has drafted a memo that communicates the critical elements related to bringing forward development agreements to the City Council and Redevelopment Agency. He said that due to the urgency to begin construction of the office building on 4800 South and State Street, he anticipates presenting a development agreement for consideration within the next six weeks. He outlined some of the important items that staff is working on to be included in the development agreement. He stated that there are elements of the existing exclusive developer agreement that need to be modified because some of the items have already been accomplished and others need to be modified based on the timing of this project. The agreement needs to be extended as well in order to provide time for some of the proposed projects to be completed. Other proposed modifications include further detail on the projects being pursued in the area and assurances that the City and Redevelopment Agency are investing on the west side of State Street. He said that references to an arts center will be eliminated from the agreement, and references will be added related to evaluation of applications to modify elements of the code and also related to purchasing property on Box Elder Street. He explained that the property on Box Elder is where the new Fire Station is proposed to be built, and there is a section of property to the south that will not be needed for the Fire Station and can be integrated into another project. The agreement will reference the potential sale of this portion of property to the developer in the future. References will also be added related to the Professional Services contracts. Mr. Tingey stated that the City Attorney is working with outside legal counsel and the legal counsel for J.R. Miller Enterprises to make modifications to the agreement, which will then be presented to the City Council for consideration.

Mr. Tingey explained that another, separate agreement will also be presented to the RDA and City Council which is the initial development agreement for the properties west of State Street. He said that the agreement will pertain to all of the City and RDA-owned parcels on the entire block between State Street, 5<sup>th</sup> Avenue and 4800 South. Some of the important elements of this agreement will include the location of a 120,000 square foot office building and the sale of properties owned by the RDA on State Street at an appraised value with a discount. He stated that the properties appraised at roughly \$3.3 million, which will be reduced as part of the negotiations. The agreement will have attachments showing the tentative mix of uses, concept designs, and construction timelines. There will also be reference to tax increment financing negotiations and the commitment to construction of a parking structure, which is an important part of the City's obligation to all of the taxing entities. Other elements will include the developer assisting in relocation of existing businesses which includes the timing of those relocations, and also the consideration of an application by the developer for partial vacation of Poplar Street. He explained that the request for vacation of Poplar Street would come before the City Council for a decision. There will be references to the intent of the City to build a park and other public facilities in this area, relocation of the Townsend historic home which houses the NeighborWorks office, and also references related to adhering to the MCCD standards and public processes. Tim Tingey stated that timing is key in this process in order to make these projects happen, especially with the possibility of Utah State University locating in this area. There are many other elements of the project that will be discussed in the future such as timelines, design of roads and infrastructure, design and location of the parking structure, Fire Station and City Hall, bidding of the projects and the possibility of a future bridge over State Street. Other future discussions will also include the current City Hall site east of State Street, and potential locations for a new library if it is decided by the City Council.

Diane Turner asked if there will be public hearings held as part of this process. Tim Tingey stated that there will be public hearings on financing of these projects, and there will be public meetings as well because the City is open and transparent in the evaluation of development agreements and sale of property and related aspects. There will be many public meetings and input, although it is expected that the big public hearings will be related to the funding and the intent of that funding, specifically if it is going towards projects such as a new City Hall or parking structures.

Blair Camp asked if there are any major issues with the acquisition of properties in the downtown or if it is moving along as expected. Tim Tingey stated that in the Committee of the Whole meeting he will talk about the

specific properties that staff is considering sending letters to, and then having a conversation about whether the Council wants to pursue eminent domain. Fortunately most of the property transactions have been positive, and we continue to have fair negotiations on the remaining properties that are important to acquire. He expects that most of the remaining properties will be under contract soon.

There were no additional items for discussion.

Meeting adjourned.

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B. Tim Tingey, Executive Director