

Minutes of the Redevelopment Agency meeting held on Tuesday, September 15, 2015 at 5:30 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Present: Diane Turner Frank Nakamura, City Attorney
Dave Nicponski Jan Wells, Chief Administrative Officer
Blair Camp Janet Towers, Executive Assistant to the Mayor
Brett Hales Tim Tingey, Executive Director
Jim Brass Jan Lopez, Council Administration
Jennifer Kennedy, City Recorder
Mary Ann Kirk, Cultural Arts
Citizens

Excused: Mayor Ted Eyre

Chairwoman Diane Turner conducted and opened the meeting.

APPROVAL OF MINUTES

Jim Brass made a motion to approve the minutes of July 21, 2015. Seconded by Brett Hales.

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

REVIEW AND CONSIDERATION OF A RESOLUTION AUTHORIZING THE PREPARATION OF A DRAFT COMMUNITY DEVELOPMENT AREA (CDA) PLAN FOR THE ORE SAMPLING MILL AREA, LOCATED AT APPROXIMATELY 5510 SOUTH 300 WEST

Tim Tingey stated that this has been discussed previously and staff had begun the process of preparing a draft area plan. Zions Consultants have been assisting in developing the area plan and the next step is to meet with each of the taxing entities to negotiate tax increment and evaluate application processes. The draft plan provides the core elements related to future development of the area and financial projections. Eventually the RDA will enter into agreements with each taxing entity and then the area plan will be finalized and adopted. Mr. Tingey explained that the discussion tonight will assist staff in initiating the application process with Salt Lake County. He said that several months ago the county adopted a CDA application process with specific standards to be met when establishing a redevelopment area and a resolution is required from the Redevelopment Agency in order to move forward. He stated that there has been interest in the Ore Sampling site and some surrounding properties in the past few months so this is a good time to proceed with adopting a redevelopment area. Staff is recommending approval of the resolution.

Dave Nicponski asked if it would be helpful to include the triangle parcel that is owned by UDOT and is overgrown with weeds. Tim Tingey stated that he does not think it should be included in the area because there is no tax value for that particular parcel. He said improvements to that site should be coordinated directly with UDOT. Frank Nakamura stated that state law requires adoption of the resolution in order to begin the process of creating a CDA. Blair Camp stated that there have been prior discussions about different types of redevelopment areas. He said that there is significant clean up that would have to take place at the Ore Sampling Mill and asked if it matters which type of redevelopment area is created. Tim Tingey replied that there would be challenges with creating an Urban Renewal Area (URA), which would include hiring a company to perform a detailed blight analysis of the area. He explained that the blight would be determined by the number of properties that meet the requirements of that classification and it is often difficult to do so in a large area. Additionally the property owners would have to be notified of the blighted status on their parcels and are often not in agreement with that classification. By creating a CDA, the need to establish blight is eliminated and the RDA will still be able to accomplish the same outcome. Jim Brass asked if the type of area impacts the percentage of increment that is received. Tim Tingey replied that it does not have an impact on the reimbursement of tax increment. Frank Nakamura said that there is more flexibility in negotiating with the other taxing entities by establishing a CDA,

and that creating a URA is more burdensome. Blair Camp stated that he wants to ensure that we proceed with creation of the type of area that will be most beneficial for the City.

Dave Nicponski made a motion to approve the resolution authorizing the preparation of a draft Community Development Area plan for the Ore Sampling Mill area, located at approximately 5510 South 300 West. Seconded by Jim Brass.

Call vote recorded by Jennifer Kennedy.

A _____ Brett Hales
A _____ Dave Nicponski
A _____ Blair Camp
A _____ Diane Turner
A _____ Jim Brass

Motion passed, 5-0.

REVIEW AND CONSIDERATION OF AN ACQUISITION AGREEMENT FOR THE MURRAY THEATER LOCATED AT 4959 – 4963 SOUTH STATE STREET

Tim Tingey stated that staff has worked diligently over the past few months to determine the condition of this building and property prior to moving forward with the acquisition. He said that staff has worked with the attorney's office on completing the title work and that an appraisal was completed that indicates the value is in line with the purchase price. Site access was discussed and it may be possible for the City to obtain an easement onto the parcel to the south but there are other options for egress from the building that are likely more reasonable such as developing an egress area through an existing exit. Mr. Tingey said that there will be some additional funds needed to provide the egress from the building if there are events held there with more than 500 people in attendance. He anticipates that this will eventually be the case and staff will continue to move forward in evaluating this issue. A structural engineer has evaluated the building and determined that it is satisfactory for its current use but there are some upgrades that need to occur to bring it up to seismic standards. The upgrades will be made in incremental steps due to the expense for these improvements. Staff also had an environmental inspection completed to identify any asbestos in the building and was pleased that there was only a small amount found in the basement on some pipe connections. Staff has obtained some pricing to have the asbestos removed and the costs are minimal. The mechanical systems have been evaluated and there are no upgrades required at this time as the system is quite new. The electrical system has also been evaluated and there are some minor upgrades needed for safety purposes. Staff has obtained pricing for those improvements and will move forward with having the work done once the acquisition is complete.

Mr. Tingey said that there are a number of reasons that it is beneficial for the RDA to acquire this property. The theater is a historic icon and will allow the City to potentially integrate it into a larger development project in the downtown area. Additionally, some of the uses at this site have been problematic for the police department and code enforcement personnel. Acquiring the site will allow the City to better control the uses and events that take place in the theater. In the upcoming months staff anticipates that the theater could be used as a practice facility for our arts programs with the intent that it will be integrated into a larger project at some point in the future. Staff is recommending approval of the resolution for the RDA to purchase this property.

Dave Nicponski stated that Salt Lake County has recently acquired the Utah Theater and it would be beneficial to look at the improvements they have made. He thinks it is exciting for the RDA to acquire this property. Jim Brass asked about a gate that was installed near the back of the property and if this issue is resolved. Tim Tingey responded that the gate issue has been addressed and will be resolved, although the gate doesn't impact current access from this building. The gate was constructed by an adjacent property owner without the knowledge of the

US Postal Service on their access road. Frank Nakamura stated that this is actually an issue that needs to be resolved between the US Postal Service and the property owner of the bike shop. Diane Turner asked if the theater will be ready for use very soon. Tim Tingey responded that he anticipates some future discussions about the uses and timing for events. Blair Camp asked about maintenance of the site, including the potential easement area. Frank Nakamura responded that if there is shared access on the easement then there should also be shared responsibility for maintenance. He anticipates future conversations about this issue with the adjacent property owners. Dave Nicponski commended Tim Tingey for his efforts in negotiating this acquisition.

Blair Camp made a motion to approve the acquisition agreement for the Murray Theater. Seconded by Dave Nicponski.

Call vote recorded by Jennifer Kennedy.

A _____ Brett Hales
A _____ Dave Nicponski
A _____ Blair Camp
A _____ Diane Turner
A _____ Jim Brass

Motion passed, 5-0.

UPDATE ON THE CENTRAL BUSINESS DISTRICT (CBD) DOWNTOWN DEVELOPMENT PROCESS

Tim Tingey stated that staff recently received a report from Terracon related to monitoring the environmental issues at the Quality Oil site. Natural attenuation is still occurring and it is going to take a long time for the site to be cleaned up although there are reductions in the contaminants found in the recent testing. At this time it is recommended that the City continue annual monitoring of the site. Mr. Tingey stated that staff is still working towards possible development agreements for the downtown area and there are ongoing conversations about this issue. He hopes to have an agreement ready to present to the RDA in the upcoming months.

FIRECLAY AREA UPDATES

Tim Tingey stated that there has been some interest in a parcel of property from the owners of the Landmark Critical Care Facility to build a skilled nursing facility with additional retail space. Right now this proposal is only being discussed and no formal evaluation of plans has taken place. There has also been communication from NovaSource, who developed the Hilton hotel on the corner of Vine and State Street, about their interest in a site in the Fireclay area. NovaSource recently relocated their corporate offices to Fireclay and have identified the parcel on the corner of 4500 South and Main Street that is currently owned by Salt Lake County as an ideal site for redevelopment. There may be a possible memorandum of understanding or agreement coming forward in the next few months enabling the Redevelopment Agency to work with NovaSource to acquire and develop this site. NovaSource is interested in a commercial development with integrated office and retail space. The Metro at Fireclay project is still moving forward for a 175 unit apartment complex and there will be additional discussion about a related agreement during the upcoming Council meeting.

Meeting adjourned.

B. Tim Tingey, Executive Director