

Minutes of the Redevelopment Agency meeting held on Tuesday, June 16, 2015 at 4:00 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

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

Excused:           Jim Brass

Chairwoman Diane Turner conducted and opened the meeting.

APPROVAL OF MINUTES

Brett Hales made a motion to approve the minutes of April 21, 2015. Seconded by Blair Camp.

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

REVIEW AND CONSIDERATION OF AN ACQUISITION AGREEMENT FOR PROPERTY AT 166 E. MYRTLE AVENUE

Tim Tingey stated that this property is adjacent to Murray Park and is in the Central Business District redevelopment area. City staff learned of an opportunity to purchase this property and the attorney's office led negotiations with the owner and also prepared a purchase agreement. Acquiring this property is important and will be a potential asset for future park improvements and will likely contribute to the enhancements proposed in the downtown area. A resolution has been prepared for the Redevelopment Agency to approve the purchase of the property. Staff is recommending approval of the resolution.

Blair Camp asked if all of the work has been completed related to this transaction. Tim Tingey confirmed that the due diligence has been completed.

Blair Camp made a motion to approve the acquisition agreement for the property at 166 East Myrtle Avenue. Seconded by Brett Hales.

Call vote recorded by Jennifer Kennedy.

  A   Brett Hales  
  A   Dave Nicponski  
  A   Blair Camp  
  A   Diane Turner

Motion passed, 4-0.

CONSIDERATION OF A RESOLUTION FOR THE 2015 – 2016 REDEVELOPMENT AGENCY BUDGET

Tim Tingey stated that it is required for Redevelopment Agency funds to be accounted for separately from the funds of the community that created the agency. He stated that there will be a use of reserve funds in the proposed budget for the purpose of property acquisition. There are some increases in revenue in the Fireclay area

which is also accounted for in the proposed budget. Staff is recommending approval of the resolution to adopt the 2015 – 2016 Redevelopment Agency budget.

Dave Nicponski made a motion to approve the resolution to adopt the 2015 – 2016 Redevelopment Agency budget. Seconded by Blair Camp.

Call vote recorded by Jennifer Kennedy.

A \_\_\_\_\_ Brett Hales

A \_\_\_\_\_ Dave Nicponski

A \_\_\_\_\_ Blair Camp

A \_\_\_\_\_ Diane Turner

Motion passed, 4-0.

### FIRECLAY DEVELOPMENT REIMBURSEMENT DISCUSSION

Tim Tingey stated that there have been past discussions with the Board about this being the first year that the RDA collected tax increment in the Fireclay area and reimbursed the developers that have development agreements in place for that area. He said that there are percentages built in to each development agreement related to how much will be reimbursed, and those percentages also factor in the amount of value brought in by each development site. He explained that there are three developers including Parley's Partners, Hamlet Development and Fireclay Investment Partners that will be reimbursed. Mr. Tingey stated that it took significant time to ascertain the value created by each of the developments in order to calculate reimbursement, and there were modifications made by the County that also had to be addressed. A chart has been provided that outlines the percentage and reimbursement amounts by developer. He stated that the distribution amounts are calculated after required reductions, such as twenty percent for housing, as specified in each development agreement.

Mr. Tingey stated that Fireclay Investment Partners did not submit information requesting reimbursement as required by their agreement until just a few weeks ago. In response to the information submitted, he has sent a letter to Colin Wright with Fireclay Investment Partners explaining the conditions that need to be met in order to obtain tax increment. One issue is that a parcel of property was to be acquired in order to complete the third phase of this project. The property was not purchased by the specified date, which resulted in forfeiting tax increment funds for phases two and three per the development agreement. Additionally, the developer needs to produce sufficient documentation related to the reimbursement request, and the documents submitted were not adequate to verify actual costs for reimbursement. Tim Tingey explained that when the development agreement was approved, discussions took place related to additional parking being provided in the third phase of this project. There have been numerous meetings with the developer and City staff has requested that the parking issues be addressed. The developer has not pursued any long term solutions for parking, so it has been communicated that the terms of the development agreement are being re-evaluated due to concerns over parking. There has not been any tax increment funds released to Fireclay Investment Partners at this time and there will likely be future meetings with them to discuss this issue.

Blair Camp asked if the developer has contacted the City since receiving the letter. Tim Tingey stated that he has not been contacted at this point although he does anticipate hearing from them soon.

### DEVELOPMENT UPDATES

Tim Tingey stated that the draft version of the Ore Sampling Mill Area Plan is moving along and staff has been working closely with the consultants at Zions Bank on the application information required by Salt Lake County for creation of a Community Development Area. The draft plan will be discussed with the Redevelopment

Agency later in the summer and staff will keep the Board updated on that process. One developer has contacted staff recently with interest in property in this area and the potential creation of a redevelopment area. In the Fireclay area, Metro Development has submitted some preliminary plans for a proposed residential unit project. Staff has concerns with the parking arrangements that need to be addressed before moving forward with any approval processes for this project. Mr. Tingey stated that there has been interest expressed by a commercial development group for the vacant parcel on the northwest corner of Birkhill Boulevard and Fireclay Avenue, across the street from the TRAX parking lot.

Blair Camp asked if there has been any recent activity related to the commercial component of the Hilton Home2 Suites. Tim Tingey replied that there has not been any new activity although staff did take information to ICSC about the location and talked to a few retailers about potentially locating there. He said that the owner is very diligent and working to find tenants for that site. Diane Turner asked for an update on the Security National property and proposed project. Tim Tingey stated that a Conditional Use Permit has been approved by the Planning Commission for the first phase of this development, which includes a six-story office building with lower level retail and a parking structure. The next step will be for the developer to obtain building permits, however that has been delayed as they are working through some right-of-way property exchange issues with UDOT.

DISCUSS THE PURCHASE, SALE OR LEASE OF REAL PROPERTY. THE RDA MAY VOTE TO CLOSE THE MEETING IN REGARDS TO THIS ITEM UNDER SECTION 52-4-204 OF THE UTAH CODE

Chairwoman Diane Turner stated that this agenda item pertains to the sale or lease of real property and recommended that the RDA vote to close the meeting in regards to this item under Section 52-4-204 of the Utah Code.

Dave Nicponski made a motion to close the meeting as it relates to sale or lease of property. Seconded by Brett Hales.

Call vote recorded by Jennifer Kennedy.

- A \_\_\_\_\_ Brett Hales
- A \_\_\_\_\_ Dave Nicponski
- A \_\_\_\_\_ Blair Camp
- A \_\_\_\_\_ Diane Turner

Motion passed, 4-0.

The RDA moved to a closed meeting.

After the closed meeting ended, the regular meeting adjourned.

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B. Tim Tingey, Executive Director