

Minutes of the Redevelopment Agency meeting held on Tuesday, April 21, 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
Doug Hill, Public Services Director
Jan Lopez, Council Administration
Jennifer Kennedy, City Recorder
Citizens

Excused: Jim Brass

Chairwoman Diane Turner is conducting and opened the meeting.

APPROVAL OF MINUTES

Blair Camp made a motion to approve the minutes of February 17, 2015. Seconded by Brett Hales.

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

REVIEW AND DISCUSSION OF AN AMENDED AGREEMENT BETWEEN MURRAY CITY AND NEIGHBORWORKS SALT LAKE

Tim Tingey stated that there has been an agreement with NeighborWorks for the past few years to work with both the City and Redevelopment Agency to provide housing opportunities for people in Murray. Updates have been provided periodically to report on progress with rehabilitation of homes and home improvement loans for Murray residents. He said that the City Council will be considering approval of an amended agreement with NeighborWorks to have them continue their work in Murray City. Although the agreement involves Redevelopment Agency funds through the twenty percent housing set-aside, the agreement is with Murray City due to staff representation on NeighborWorks Boards and coordination with code enforcement personnel and other City staff to submit referrals. Tim Tingey stated that NeighborWorks has assisted with thirteen home rehabilitation projects in the community, and nine homes have been acquired for resale to low-to-moderate income families. Often the homes that are acquired have environmental or other issues that are a concern to the neighborhood. NeighborWorks will either renovate the home or demolish the structure and build a new home on the site.

Diane Turner asked how long it takes for the rehabilitation projects to be completed. Tim Tingey stated that it depends on the nature of the project, with minor projects taking only a few weeks and major projects that may take many months. He explained that the process of applying for NeighborWorks assistance starts with an application, followed by an evaluation to determine that the application meets all qualifying criteria. NeighborWorks will then visit the site to scope the project and outline what improvements need to be made. The next step is to obtain bids for the work to be completed and then moving forward with the project. Ms. Turner asked how long the City has had an agreement with NeighborWorks. Tim Tingey responded that the first agreement was signed in 2010 with renewals every two years. Blair Camp asked if there are any substantial changes to this amended agreement. Tim Tingey stated that there are not significant changes and referred to page three of the agreement where performance elements are outlined. The number of loans expected to be processed has increased to eight, and there has also been a change of language to state that applicants must be at 120 percent or less of average median income to qualify for the program. Frank Nakamura stated that the amendment also extends the term of the agreement. Tim Tingey agreed and stated that it will extend the agreement to 2017. There were no further questions or comments on this item.

UPDATE ON ENVIRONMENTAL STATUS OF THE QUALITY OIL SITE LOCATED AT 5020 SOUTH STATE STREET

Tim Tingey stated that he regularly provides updates on the environmental status of this site. The area being discussed is a strip of land that starts at State Street and follows the creek bank along the south boundary of the state liquor store. The Redevelopment Agency acquired this property a number of years ago with the intent of cleaning up the area and handling the environmental issues. Mr. Tingey explained that there are testing wells throughout the area and samples are collected to evaluate if contamination levels are continuing to decrease. Staff has met with the Department of Environmental Quality (DEQ) several times to discuss this site. Over time, the site will become cleaner through natural attenuation, but that process may take many years. In compliance with DEQ requirements, the well sites are tested regularly. The most recent testing did not show a significant decrease in contamination so the DEQ met with staff to discuss other clean-up options for the site. One option is to continue regular testing, which may take decades, while another option is to complete further excavation of the area to remove the contaminated soil. Staff worked with Terracom, the environmental consulting firm that has been monitoring the site, to evaluate the costs for further excavation. It was determined that it would cost in excess of \$200,000 to excavate the soil. The high cost is due to the amount of soil that would have to be removed and disposed of, in addition to working around some large utility and gas lines that run through the site.

Mr. Tingey stated that due to the high costs associated with excavation, he recommends that the Redevelopment Agency continue with regularly monitoring the site and allow additional time for natural attenuation to occur. Diane Turner stated that she is fine with continued monitoring as long as it is being completed. Brett Hales agreed and said that there isn't anything to gain by excavating the site right now. Blair Camp asked if additional excavation would have to take place if development were to occur on that site. Tim Tingey said that it would and that if there is a proposed project there in the future then clean-up will be addressed and costs might be negotiated with a developer. Frank Nakamura stated that having the contamination located near the creek makes the issue more complicated and that other clean-up options have been discussed in the past. Tim Tingey stated that if the site were to be excavated, additional monitoring would still have to take place for a number of years to confirm that the contaminants stay at a reduced level. It was the consensus of the board to continue with periodic testing.

UPDATE ON REQUEST FOR QUALIFICATIONS AND CONCEPTS (RFQ-C) FOR DEVELOPMENT OF THE DOWNTOWN INCLUDING A NEW CITY HALL

Tim Tingey stated that this item was discussed at the last meeting and that two developers submitted proposals in relation to this downtown redevelopment project. He said that a committee was established to evaluate the proposals, and after deliberation and presentations from the developers a selection was made to start the process of negotiating a development agreement with Woodbury Strategic Partners. He said that an initial meeting was held with Woodbury representatives today to begin this process and there are numerous questions that still need to be answered going forward. He said there are many elements related to public and private facilities in an integrated development that need to be addressed. Mr. Tingey stated that he anticipates many future discussions and updates related to this process and that once there are concepts, plans and a draft development agreement that the Redevelopment Agency and City Council will deliberate on whether to move forward. There is significant work that needs to take place, including legal and process elements, to reach a final outcome that includes:

- City Hall Construction;
- Parking Facilities;
- Integrated Development Project;
- Public Amenity Investments;
- Private Investment Growth.

Mr. Tingey stated that he looks forward to having a development agreement with some concept plans to present to the Redevelopment Agency in the near future.

Brett Hales stated that the initial meeting with Woodbury went well and that they have expressed understanding that this project is driven by Murray City. He said that he appreciated the Mayor's ideas and input during the meeting and it seemed that Woodbury was supportive as well. Tim Tingey stated that hopefully there will be a point in this process that the ideas come together and everyone is comfortable with the direction of this project. Brett Hales stated that Tim Tingey clarified during the meeting with Woodbury that the Council will be deliberating on the decision to move forward and he appreciated that comment.

DEVELOPMENT UPDATES

Tim Tingey stated that the State and Vine project, which is the Hilton Home2 Suites, had three tenants that had signed agreements to locate in the commercial space on the main level. They were all restaurant groups, but they have all backed out of the lease agreements. Hotel representatives are working hard to find retailers for this space and City staff is also trying to assist in this process. He said that there has been interest expressed in a site near the Holiday Inn on 300 West that would be part of the Ore Sampling Mill redevelopment area if it moves forward. He has advised the interested parties that the Redevelopment Agency is working to establish a Community Development Area (CDA) for this area and anticipates moving forward this summer with adopting an area plan. He expects to see some projects underway in this area next year. Tim Tingey stated that the Metro Group has proposed an apartment development in the Fireclay area. He said that site plans have been reviewed and that there are some issues that need to be worked out with UTA prior to moving forward with the project. There are other land parcels in the area that have been purchased recently but staff has not seen any development proposals for those sites yet.

Meeting adjourned.

B. Tim Tingey, Executive Director