

Minutes of the Redevelopment Agency meeting held on Tuesday, February 17, 2015 at 4:45 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  
Jim Brass 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: Dave Nicponski

Chairwoman Diane Turner is conducting and opened the meeting.

#### APPROVAL OF MINUTES

Jim Brass made a motion to approve the minutes of January 20, 2015. Seconded by Brett Hales.

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

#### DISCUSSION RELATED TO REIMBURSEMENT OF FIRECLAY TAX INCREMENT

Tim Tingey stated that this discussion relates to reimbursement of tax increment in the Fireclay area. Funding for this area was requested in 2013 and the first payment from the County has been received. The final payment will be in March 2015, at which time funds will be used to pay obligations. There are three development agreements in place in the Fireclay area and payment projections have been established for each of the developers. Mr. Tingey explained the way projections are calculated by subtracting the base value from the increment generated and then applying the levy rate. From the amount available, there are fees that the City is obligated to pay before providing increment to the developers which includes a 5% administrative fee, 20% housing, 12% education mitigation, and 5% for city infrastructure reimbursement. Mr. Tingey explained that substantial time was spent calculating the disbursement of the remaining increment among the three developers as the percentages are based on the number of parcels developed and the improvements completed. There were a number of conversations with the County to clarify the values for each developer in the area. Hamlet Homes will be receiving the least amount of increment and Tim has met with Michael Brodsky to discuss and explain the calculations. He said that Hamlet will also receive a portion of the increment paid to Parley's Partners through a private agreement between the two developers.

Mr. Tingey explained that as part of each development agreement, the developers are required to provide documentation to the City of all costs incurred that are eligible for reimbursement. Hamlet Homes and Parley's Partners have diligently provided this documentation to City staff. Fireclay Investment Partners have not submitted any of the required documentation and will not be eligible for reimbursement until that is complete. Frank Nakamura stated that he believes the development agreement with Fireclay Investment Partners should be reviewed to ensure that they are in compliance with all terms, and that no decision has been made on that issue at this time. Tim Tingey agreed and stated that as part of the agreement with Fireclay Investment Partners, they were to have an additional parcel of land purchased or under contract by December 2014. If the property was not acquired or under contract by that time then Fireclay Investment Partners would lose their Phase 2 and Phase 3 increment amounts. The property is not under contract and therefore the developer has foregone their increment for those phases.

Blair Camp asked about the details of the administrative fee. Tim Tingey stated that the fee stays in the Redevelopment Agency budget for that area. Jim Brass stated that the increment is much lower than expected in the Fireclay area and is the result of developing apartments instead of commercial space. Mr. Tingey agreed and

stated that he is hopeful that additional projects will come into the area that will help to increase the value and increment over time.

#### UPDATE ON ORE SAMPLING MILL CDA

Tim Tingey stated that the project area plan draft is complete in preparation of moving forward to negotiate a Community Development Area (CDA). As discussed during the last meeting, it has been determined that staff is going to hold off on beginning negotiations with the County for this CDA until a determination has been made on some of the other proposals the City has in process at the County. He anticipates moving forward with the negotiations and that the area will hopefully be established by the end of the year. There has been significant interest in moving forward with this CDA and Mr. Tingey acknowledged that some of the property owners in the area are present at this meeting.

Diane Turner stated that this is an exciting process and she looks forward to seeing improvements made in that area.

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

Tim Tingey stated that this RFQ-C was posted in January and the submission due date is February 27<sup>th</sup>, 2015. He said that he expects proposals to be submitted during the final two days, and that if there are any phone calls being received with questions, then they should be referred to the Records Office. It is important to ensure a fair process, and questions are answered on Bidsync where they are viewable by all interested parties. He said that there have been a number of phone calls received, from both out of state and local developers, with interest and questions about the RFQ-C. Brett Hales asked how many submissions are expected. Tim Tingey responded that it's hard to estimate, but he expects there could be as many as eight.

#### DEVELOPMENT UPDATES

Tim Tingey stated that in the Fireclay area there has been some interest expressed from multiple developers for the parcels on the south side along Main Street where a few properties are for sale. He shared that the Novasource Group, who was a partner in the State & Vine hotel project, has relocated their office space to the Fireclay area and have expressed that they view it as a great place with potential for growth. He said that there are two new restaurants considering locating in the Hilton Home2 Suites and most of the commercial space in the hotel will be filled at that point. Mr. Tingey stated that Kimball Development owns some parcels on Vine Street and have expressed interest in building apartments. There is a component of lower level commercial in this project, but there are still a number of issues to work through before bringing a proposal forward. He explained that the eastern portion of the property is in the Central Business District redevelopment area, and he has been advised that the developer has a desire to request some funding for this project from the RDA. This would require negotiation of a development agreement and the RDA would need to carefully evaluate if they would want to participate in this project.

Brett Hales asked about the vacancy rates at the Hilton hotel. Tim Tingey responded that he will be speaking with one of the development partners in the upcoming week and will obtain an update from them to pass on to the RDA.

Meeting adjourned.