

Minutes of the Redevelopment Agency meeting held on Tuesday, August 2, 2016 at 5:00 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

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

Excused: Jim Brass

Chairwoman Diane Turner conducted and opened the meeting.

APPROVAL OF MINUTES

Ms. Turner stated that the minutes from the meeting on June 21, 2016 are prepared for approval. Brett Hales made a motion to approve the minutes. Seconded by Blair Camp.

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

PUBLIC HEARINGS – PUBLIC HEARING #1

A PROPOSED AMENDMENT TO THE RDA CENTRAL BUSINESS DISTRICT PROJECT AREA (CBD) PLAN TO EXPAND THE TAX COLLECTION AREA WITHIN THE CBD TO INCORPORATE APPROXIMATELY 10.18 ACRES, AND REDEVELOPMENT AGENCY CONSIDERATION OF A RESOLUTION OF THE ABOVE MATTER

Diane Turner asked Tim Tingey to present the information related to this agenda item. Mr. Tingey stated that this issue is governed by state law and particularly the code related to redevelopment areas. He provided some background information for the citizens present, stating that the area being discussed is the Central Business District Urban Renewal Area which was designated in the 1980's as an Urban Renewal Area that allows for collection of tax increment financing. Taxes that are being paid to taxing entities at the time a redevelopment area is created continue to be paid, while any increase in tax value is reinvested into the area rather than being paid to the taxing entities and is referred to as tax increment financing. He explained that the law requires notification to property owners within the area when there is a proposal to expand or extend the redevelopment area, and the RDA is currently proposing to have an additional 10.18 acres added to this area. The additional acres are primarily non-taxable properties, including the post office and current city hall site, as well as 1.73 acres of privately owned property. Tim Tingey stated that the taxes will not change for the current property owners in the expanded area and any increase in tax value that is generated would go towards reinvestment into the area. Reinvestment can include costs related to public infrastructure, parking structures, and incentives for redevelopment of these sites. It is anticipated that the expanded area will increase from the current base value of approximately \$1.9 million to generate millions of dollars more after redevelopment, resulting in additional funds to reinvest in the area.

Mr. Tingey said that a meeting was held with the Taxing Entity Committee (TEC) on July 5th and they approved this proposal unanimously. The TEC members are aware of these proposed changes, and it has been discussed in great detail that there will be a pass through of 25% to the taxing entities in this new area with 75% going to the Redevelopment Agency. He stated that a public hearing is required for this

item at both the Redevelopment Agency meeting and the City Council meeting. Staff is recommending approval of the expansion of the Central Business District of 10.18 acres.

Diane Turner opened the meeting for public comment related to this item. There were no comments from the citizens present and the public comment portion was closed.

Brett Hales made a motion to approve the proposed amendment to the Central Business District (CBD) Project Area Plan to expand the tax collection area with the CBD to incorporate approximately 10.18 acres. Seconded by Blair Camp.

Call vote recorded by Brent Davidson.

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

Motion passed, 4-0.

PUBLIC HEARINGS – PUBLIC HEARING #2
A PROPOSED AMENDMENT TO THE RDA SMELTER SITE NEIGHBORHOOD DEVELOPMENT
PROJECT AREA (“SMELTER SITE”) BUDGET TO PROVIDE FOR AN ANNUAL PASS THROUGH
TO THE MURRAY SCHOOL DISTRICT EQUAL TO TWELVE PERCENT (12%) OF SMELTER
SITE TAX INCREMENT REVENUE, AND REDEVELOPMENT AGENCY CONSIDERATION OF A
RESOLUTION OF THE ABOVE MATTER

Diane Turner introduced this item and asked Tim Tingey to present information related to the proposal. Mr. Tingey stated that this item relates to a proposed modification to the Smelter Site Neighborhood Development Project Area. The area was created in approximately 1999 and collection of tax increment financing in the area commenced in 2009. The proposed modification is to include a change in the budget amount that is distributed to the taxing entities. Because this is an Urban Renewal Area, tax increment funds are collected for reinvestment into the area. Due to some recent conversations and issues raised by the Murray School District, staff has found that there is not really a pass through of tax revenues to the school district from this redevelopment area. There are multiple reasons that a pass through is reasonable to the school district, including the high number of non-taxable properties in the community as well as the relatively small geographic size of the school district. This proposed modification would allow for a pass through to be 12% of the funds that are collected in tax increment financing each year which equates to approximately \$100,000.

Mr. Tingey stated that the Taxing Entity Committee considered this item at the July 5, 2016 meeting and unanimously approved the proposal. Staff is recommending approval of this modification to the budget of the Smelter Site Urban Renewal Area.

Diane Turner opened the meeting for public comment related to this item. There were no comments from the citizens present and the public comment portion was closed.

Blair Camp made a motion to approve the proposed amendment to the RDA Smelter Site Neighborhood Development Project Area budget to provide for an annual pass through to the Murray School District, equal to 12% of the Smelter Site tax increment revenue. Seconded by Brett Hales.

Call vote recorded by Brent Davidson.

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

Motion passed, 4-0.

CONSIDERATION OF A RESOLUTION FOR THE 2016 – 2017 REDEVELOPMENT AGENCY BUDGET

Tim Tingey stated that because the Redevelopment Agency is a separate entity from the City that the budget must be considered separately as required by state code. A resolution has been provided that outlines the RDA budget for the upcoming year and includes the amount of tax increment financing anticipated from our five redevelopment areas which totals approximately \$3.7 million. These funds are to be reinvested into the redevelopment areas. Staff is recommending approval of the budget resolution.

Blair Camp asked if this budget includes the pass through to the Murray School District from the Smelter Site area that was just approved. Mr. Tingey confirmed that it was built into the budget document and could have been modified in the event that the proposal was not approved. However, as the proposal has now been approved, the budget document presented is correct.

Brett Hales made a motion to approve the resolution for the 2016 – 2017 Redevelopment Agency budget. Seconded by Blair Camp.

Call vote recorded by Brent Davidson.

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

Motion passed, 4-0.

Meeting adjourned.

B. Tim Tingey, Executive Director