

Minutes of the Redevelopment Agency meeting held on Tuesday, April 18, 2017 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 Janet Towers, Executive Assistant to the Mayor
 Blair Camp Jan Lopez, Council Administrator
 Dave Nicponski Tim Tingey, Executive Director
 Jennifer Kennedy, City Recorder
 Frank Nakamura, City Attorney
 Scott Aylett, Zions Public Finance
 Jennifer Heaps, Office Administrator

Excused: Jim Brass

Chairman Brett Hales conducted and opened the meeting. Dave Nicponski arrived later in the meeting.

APPROVAL OF MINUTES

Mr. Hales stated that the minutes from the meeting on January 24, 2017 are prepared for approval. Blair Camp made a motion to approve the minutes. Seconded by Diane Turner.

A voice vote was made, motion passed 3-0.

DISCUSSION OF A BLIGHT STUDY OF THE AREA WITHIN THE GENERAL BOUNDARIES OF 5300 SOUTH TO THE NORTH, 300 WEST TO THE EAST, 5560 SOUTH AND ANDERSON AVENUE TO THE SOUTH, AND COMMERCE DRIVE TO THE WEST, DESCRIBED AS THE PROPOSED MURRAY CITY ORE SAMPLING SITE COMMUNITY REINVESTMENT AREA

Tim Tingey provided a brief background on this item and outlined the process that has been completed. In October of 2016, the Redevelopment Agency passed a resolution directing staff to move forward and have a study completed of the Ore Sampling Site area to evaluate if, under Utah State Code, there is a determination of blight. Zions Public Finance was hired as the consultant and Scott Aylett is present to review some of the details in the report, and how the findings apply to Utah State Code requirements for determination of blight. Mr. Tingey explained that Zions conducted a survey of the area and the report of findings is included in the agenda packet documents. The report was sent to all seventeen of the property owners in the area, excluding public entities, and there was also a thirty day notice of this hearing that was mailed to all of the property owners. He explained that there is criteria outlined in state code that must be adhered to in order to determine blight. Tim Tingey turned the time over the Scott Aylett to provide a summary of the blight study.

Scott Aylett stated that Zions Public Finance was hired to conduct the determination of blight study for this proposed project area. He briefly went through what the state requirements are to determine blight and stated that there are sections within state code section 17C-2-303 that specify criteria for determination of blight. First, the proposed project area needs to consist predominantly of non-greenfield parcels. Second, the proposed project area must be currently zoned for urban purposes and generally served by utilities. Third, at least fifty percent of parcels within the proposed project area need to contain non-agricultural or non-accessory buildings, improvements, or other uses intended for residential, commercial, industrial or other urban purposes. Fourth, there needs to be a present condition of uses within the project area that substantially impair the sound growth of the municipality, retards the provision of housing accommodations or constitutes an economic liability, or is detrimental to the public health, safety or welfare. Next, at least fifty percent of the privately owned parcels within the proposed project area have to be affected by at least one of the blight factors. Lastly, the affected parcels need to comprise at least sixty-six percent of the privately owned acreage of the proposed project area.

Mr. Aylett stated that there are some requirements that can exclude a parcel, for example if a parcel exceeds more than ten percent of the total acreage for the proposed project area it cannot be included in the blight findings. One of the parcels in this area is significantly larger than the others and exceeds that ten percent limitation, so although it contained some blight factors they cannot be counted towards the requirements.

Scott Aylett stated that on November 11, 2016, Zions representatives went to the site and performed a study and analysis of the project area. As they walked the study area they took pictures of any blight factors that were found and took detailed notes. They also used a blight form that contains a checklist of items that are requirements of state law for blight such as damaged foundations, broken windows or abandoned buildings. Other data that isn't visible, such as crime rates and the marketability of titles are also taken into consideration. One of the first blight factors that is analyzed is whether or not there is any physical dilapidation, deterioration, or defective construction of buildings or infrastructure. Mr. Aylett stated that they found that these conditions did exist on twenty-four percent of the parcels and thirty-two percent of the parcel acreage. Next they look at any significant non-compliance with current building, safety, health or fire code requirements or ordinances, and those conditions were identified on thirty-five percent of parcels and thirty-two percent of the acres. In evaluating any unsanitary or unsafe conditions, these conditions were found on twenty-four percent of parcels and twenty-five percent of the acreage. Related to environmental hazards, that was found on only one parcel, which equates to six percent of the parcels and four percent of the parcel acreage. He stated that excessive vacancy, including buildings and lots, comprised about twenty-four percent of parcels and eighteen percent of acreage. Abandoned or outdated facilities were found on six percent of the parcels and two percent of acreage. When taking all of these factors into consideration, they found that sixty-five percent of the parcels were determined as blighted and seventy percent of the parcel acreage would therefore be determined as blighted, which both meet the state requirements. The study findings indicate that a determination of blight could be made for this project area based on all of the state requirements as found and documented through the ground analysis, evaluation of crime rates with comparison sites and any conditions of title that might make it difficult for parcels to be sold in the project area.

Blair Camp verified that each parcel only has to have one of the blight factors to meet state code requirements. Scott Aylett concurred and said that at least fifty percent of the privately owned parcels need to be affected and sixty-six percent of the acreage.

Frank Nakamura stated that of all the blight factors discussed, it appears that only two of them weren't identified in this area including the defective or unusual conditions of title rendering it non-marketable, and the fact that this isn't a superfund site, an active industrial site or an active airport site. Mr. Aylett confirmed this statement. Mr. Nakamura said that these items are not requirements, and clarified that all of the other factors were found in the area. Mr. Aylett indicated that this is correct.

Blair Camp asked for clarification regarding exclusion of the Ore Sampling Mill site from the determination of blight and the reason for that. Scott Aylett said that that there are two reasons that this parcel was excluded. First, any parcel that exceeds ten percent of the total project area acreage cannot be included in the blight study and this particular parcel does exceed ten percent. Secondly, on those parcels that have improvements, there must be at least fifty percent of the parcel improved in some way. The Zions team didn't feel that this parcel met the fifty percent requirement and therefore it wasn't included.

Tim Tingey explained the process for this item. The blight hearing will be conducted as stated on the agenda, and a resolution is included in the board packet that indicates a finding of blight if the board chooses to make that determination. If the resolution is adopted then this item will be forwarded to the Taxing Entity Committee (TEC) for evaluation of the blight study, and if they also make a finding of blight then staff will return to the RDA for consideration and adoption of a project area plan. He stated that in October there was discussion with the RDA about changes that were occurring at the state legislature related to urban renewal, economic development and community development areas. It was determined that the City would carefully evaluate this process and

move forward because it will be helpful to have the blight study and a determination from the RDA board prior to going before the TEC. Mr. Tingey explained that if a determination of blight is made today resulting in the creation of a community reinvestment area, it means that taxes collected on new investment in the area will be provided to the Redevelopment Agency and reinvested in the area. This is an important incentive to encourage investment in the area and will enhance the area over time. He stated that staff has made a recommendation of approval to the board based upon the study conducted by Zions.

PUBLIC HEARING RELATED TO DETERMINATION OF BLIGHT AND DISCUSSION AND CONSIDERATION OF A RESOLUTION DETERMNING THE PROPOSED PROJECT AREA TO BE BLIGHTED

Mr. Hales opened the public hearing portion of the meeting. He stated that anyone may submit proof of existence or non-existence of blight. He asked if anyone present wishes to cross examine Tim Tingey or Scott Aylett regarding the findings. There were not any questions or comments from the public and the public hearing was closed.

Frank Nakamura stated that he wants to make sure that it is understood that the resolution includes the adoption of the findings, which was articulated very well by Zion's Public Finance, and to incorporate those findings as the board adopts this resolution. Brett Hales agreed.

Diane Turner made a motion to adopt the resolution determining the proposed project area to be blighted. Seconded by Blair Camp.

Additional discussion took place clarifying that this includes the findings presented by Zions Public Finance.

Call vote recorded by Jennifer Kennedy.

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

Motion passed, 4-0.

UPDATES

Tim Tingey stated that he and Frank Nakamura have been meeting with some attorney's representing Fireclay Investment Partners, whom the RDA has a development agreement with. They have inquired as to the possibility of discussing the development agreement with the board, and possibly even suggesting some modifications or assignment of the agreement. Staff hasn't been provided with the details at this time, but wanted to make the board aware of these conversations.

In the Central Business District, Mr. Tingey explained that some communication was received form the exclusive developer today and staff is in the process of evaluating the extensive information submitted. There will be additional discussion related to downtown redevelopment very soon. Additionally, staff is working with Intermountain Healthcare regarding their request to purchase a portion of the property that is the old Quality Oil site. An agreement has been signed for the property transaction and Tim Tingey thanked Frank Nakamura and his staff for doing a lot of work on this in evaluating the purchase and sales agreement and making sure that our interests are protected. He expects to close on the sale soon, with an agreed-upon sales price of \$100,000.

Frank Nakamura stated that staff has met with the Fraternal Order of Eagles and he feels more optimistic about this property acquisition as they seem to be more flexible in the parameter, which is very encouraging. Tim Tingey stated that there is progress being made on all of the properties in the area that have been discussed recently, including the Verizon/U.S. West cell tower. Staff has had positive communication with them and have identified some sites that may work for them to relocate the tower. Mr. Tingey stated that staff will continue meeting with property owners in the area and hope to make additional progress with these acquisitions. Brett Hales stated that it's good news to hear that staff is having positive conversations with property owners in the area.

Meeting adjourned.

B. Tim Tingey, Executive Director