

The Redevelopment Agency of Murray City met on Tuesday, June 16, 2020 at 5:30 p.m. for a meeting held electronically in accordance with Executive Order 2020-5 Suspending the Enforcement of Provisions of Utah Code 52-4-202 and 52-4-207 due to Infectious Disease COVID-19 Novel Coronavirus issued by Gary Herbert on March 18, 2020 and Murray City Council Resolution #R20-13 adopted on March 17, 2020.

RDA Board Members

Brett Hales, Chair
Dale Cox, Vice Chair
Kat Martinez
Rosalba Dominguez
Diane Turner

Others in Attendance

Blair Camp, RDA Executive Director
Melinda Greenwood, RDA Deputy Executive Director
Janet Lopez, City Council Executive Director
Jennifer Kennedy, City Recorder
Doug Hill, Chief Administrative Officer
Jennifer Heaps, Chief Communications Officer
G.L. Critchfield, City Attorney
Brenda Moore, Finance Director
Danny Astill, Public Works Director
Jay Baughman, Economic Development Specialist
Trae Stokes, City Engineer

Mr. Hales called the meeting to order at 5:00 p.m.

1. Approval of the May 19, 2020 RDA meeting minutes

MOTION: Ms. Turner moved to approve the minutes from the May 19, 2020 RDA meeting. The motion was SECONDED by Mr. Cox.

Ms. Martinez	Aye
Mr. Cox	Aye
Ms. Dominguez	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion Passed 5-0

2. Citizen Comments

Ms. Greenwood said she received a phone call from DeLynn Barney asking about the process that Trae Stokes, City Engineer, was working on with the right-of-way acquisition with the Fraternal Order of Eagles.

3. Public Hearing

Discussion and decision on a Resolution approving the Redevelopment Agency of Murray City Fiscal Year 2020-2021 Budget (*Presenter: Melinda Greenwood and Brenda Moore*)

(See Attachment 1 for the slide used during this presentation)

Ms. Greenwood said the budget is almost the same for Fiscal Year 2020-2021 as it has been for previous years. The total expenditures are \$3,421,111, which include bond and Tax Increment Financing (TIF) payments, and homeless shelter contribution payments. There is \$200,000 set aside for the construction of 4250 South in the Fireclay Area. The budget also includes funds for affordable housing services, property cleanup, professional services for appraisals or consulting work, and salary and administration.

Mr. Cox asked for clarification on the homeless shelter contribution.

Ms. Greenwood replied that contribution is mandated by the State. Every city in the State of Utah that does not have a homeless shelter in its boundaries is required to contribute to a fund to help pay for the homeless shelters that do exist. The RDA's payment is about \$84,000 per year and can be paid with housing restricted funds.

The public hearing was open for public comments. Ms. Greenwood noted that no comments were received and the public hearing was closed

MOTION: Mr. Cox moved to approve the Redevelopment Agency of Murray City's Fiscal Year 2020-2021 Budget. The motion was SECONDED by Ms. Turner.

RDA roll call vote:

Ms. Martinez	Aye
Mr. Cox	Aye
Ms. Dominguez	Aye
Ms. Turner	Aye
Mr. Hales	Aye

Motion Passed 5-0

4. Discussion and decision on preliminary terms for a participation and development agreement for the Jesse Knight Ore Sampling Mill project (*Presenter: Melinda Greenwood*)
(See Attachment 2 for slides used during this presentation)

Ms. Greenwood said that Bart Warner, Ken Merrell and David Baird were online representing this project. This project is located at 5510 South 300 West and was formally used as an ore sampling smelter site. The site has been abandoned for about 70 years. Mr. Warner and his group would like to renovate the concrete shell on the site and convert it into an office space. The estimated value of the project is \$9,000,000. The development impediment that exists on this site is contaminated soil. There is lead, arsenic and radium in the soil. They are asking the RDA for \$2,500,000 which would provide enough funding to remediate the site in its entirety. They are not interested in having an on-site repository, they want to completely

remediate and clean the site. This Community Reinvestment Area (CRA) is projected to produce \$7,331,596 in TIF over the next 20 years. Their project, valued at \$9,000,000, would produce \$1,974,612 in TIF. The additional funding their project would not generate on its own would be \$525,000.

In 2017, the project team received a Conditional Use Permit from the Planning Commission. They have already expended a lot of money and energy cleaning up the site. They have had conversations with the Utah State Department of Environmental Quality (DEQ) about what is needed to clean up the site. Staff is recommending the RDA Board to tentatively approve pursuing a development agreement with B.C. Warner Investment Company with the preliminary terms of TIF funding in the amount of \$2,500,000 to be used to reimburse for contamination remediation with a cleanup process approved by the DEQ.

Bart Warner said he is trying to make this building a memorial to Jesse Knight. The project has gone from being a larger building with a secondary building to one building that will be about 45,000 square feet. Some of the people that were interested in participating with this project have come and gone over the last few years. The nature of office buildings has changed. The focus of this project will be for people who want a unique office with a story behind it.

Mr. Warner said Ken Merrell found a way to do Bevill exemption, which one of the major environmental companies thought was impossible. That will bring the cost of dumping from \$100 per ton to \$25 per ton. He also found a place in Boise, Idaho, that may be able to take the radium. The group is hoping for a development agreement so they understand what they are going to do as they move forward with this project.

Ms. Greenwood said she has spoken with the RDA Board members over the last couple of weeks and given them information about this location and the background about this project. She also explained the Bevill exemption and how it will save the project money.

Ms. Greenwood said the Ore Sampling Mill sits on the doorstep of Murray City. It is highly visible from I-15 and to have it transformed into something useable will be a great asset to the City and community.

Ms. Turner said she thinks this is a wonderful project and is looking forward to it being done. She is concerned about the TIF. She asked Ms. Greenwood how the TIF will work in the development agreement and if a specific amount of TIF would need to be stated in the agreement.

Ms. Greenwood stated those points would be worked out during the next step of drafting a development agreement. She anticipated the development agreement would state a "not to exceed" amount. There would be some accountability built into the agreement where the group would need to submit proof of their expenditures before they are reimbursed. The total project is currently valued at \$9,000,000. Their project itself would produce just under

\$2,000,000 in additional revenue through the TIF. They would need an additional \$500,000 that would come out of the remainder of the project area to go towards cleanup costs.

Mr. Warner said he had no idea there was radium on the site. The project had gone pretty far before the radium was discovered under the railroad tracks. He doesn't want to continue with the project if the site is not cleaned. He has spent close to \$1,000,000 cleaning up the site already. If the total cost to clean the site is \$2,500,000, he would be happy.

Ms. Martinez said she is excited to see this site developed and is glad the developers want to do a full remediation of the site so it will be clean in the future.

Mr. Cox asked about the timetable of the project and what other developments there will be once this project moves forward.

Mr. Merrell said as soon as Mr. Warner gives him the go ahead, his group will start preparing to excavate the contaminated material and separate them onsite. The material will have to be retested to make sure the radium is separated from the lead and arsenic and the lead and arsenic does not contain more radium than is allowed for the landfill site. Once all the processes are done, they can start to export the material, but that probably won't happen before fall. The timing of this project depends on the development agreement and meeting any other state requirements. Because of that, it's hard for him to give an accurate timetable.

Ms. Greenwood said typically it takes about six months to negotiate a development agreement. If this site is ever going to be developed, it will need to be cleaned up. One of the reasons Mr. Warner wants to fully remediate the site is because he does not want any ongoing monitoring.

Mr. Warner said if it takes six months to get a development agreement, that sets his project back. He has an option to buy this property within a year, but if the property cannot be cleaned up by then, that creates a problem for him.

Ms. Greenwood replied timing depends on how much back and forth goes on between each party.

Mr. Critchfield said the RDA Board is not agreeing to commit \$2,500,000 to this project tonight. They are agreeing to pursue a development agreement with a proposal from the developer of \$2,500,000.

Mr. Hales said the RDA Board is grateful to Mr. Warner and his group for putting an interest in this project. He said the RDA Board would like this project to move forward. They would like staff to start working on a development agreement for this project.

Mr. Warner reiterated his concerns about a development agreement taking six months.

Mayor Camp said if the RDA Board gives the direction to move forward with a development agreement, staff will work diligently to expedite the process and get the development agreement back to the RDA Board for approval.

Mr. Baird said they have lost a lot of time on this project and time is running out. They will commit to being responsive during the negotiations of the development agreement. He asked that Murray City do the same.

Mr. Merrell said it sounds like there was some hesitancy about the RDA Board committing \$2,500,000 to this project. There doesn't seem to be other projects in this TIF that are pressing to gain any funds. It's possible the funds will not be used if they are not used for this project.

Mr. Warner said he has no doubt that it will cost at least \$2,500,000 to cleanup the site. He wants to ensure the RDA Board is committed to that amount of money.

Mr. Hales said he understands Mr. Warner's concern. He asked the RDA Board if they were hesitant to move forward with the development agreement as it was presented.

Ms. Dominguez said she thinks the project should move forward. She feels Mr. Warner and his group are the right fit for this project. The RDA Board wants to ensure they are being transparent to the citizens. She is comfortable with the project moving forward.

Ms. Turner said she is supportive of this project as well.

Mr. Cox said he supports this project too. He thinks if this project doesn't move forward, nothing will get done at that site.

Ms. Martinez said any development that goes on is positive. She also feels Mr. Warner is a good fit for this project.

5. Discussion and decision on preliminary terms for Desert Star Playhouse expansion and use of RDA assistance for utility relocation (*Presenter: Mayor Blair Camp and Mike Todd*)

Mayor Camp said Michael Todd, Desert Star Theater, would like to expand his theater. The roadblock has to do with the utilities that are in the area.

Mr. Todd said he and his wife started Desert Star Playhouse 31 years ago as a community service. Desert Star is both a theater and a banquet center. It is the only for-profit theater that operates year-round in the State of Utah, meaning they are the only theater that pays sales tax. He owns the building where Desert Star is located and they work hard at portraying the small community theater they have become known as.

Mr. Todd said Desert Star needs to grow or they will die. In order to survive is what is becoming to be known as the “new normal”, they must grow. He is requesting to relocate some overhead powerlines and an approximately 100-year-old sewer line.

Mr. Todd said that the front of his building is nice, but the back of the building is not. They would like to renovate their parking lot as well at their theater. The proposal is to tear down the existing theater and rebuild a theater in its place, extending out into the parking lot. He showed a map of the sewer and overhead powerlines that he would like help relocating. If they are not relocated, the new building will be built on top of the sewer and through the powerlines. He said his request is simple; he would like assistance with the utility relocation.

Mayor Camp asked if the RDA Board was comfortable enough to support this project and give Mr. Todd some comfort in moving forward. Mr. Todd would be asking for some TIF money to be used to relocate the utilities. The sewer line is scheduled to be relined this year, so this is a good time for this request. It would cost about \$250,000 to move the powerlines and about \$370,000 to move the sewer.

Ms. Turner said her concern is parking. Where is the parking coming from?

Mr. Todd said currently, they have more parking than they need. He doesn't think parking will be an issue in the future with the small number of stalls they will lose for the new building.

Ms. Turner asked for the numbers that indicate that.

Mr. Todd said he didn't have those, but he could get them.

Ms. Dominguez asked how many seats are in the theater now and how many would there be after the remodel. She knows the parking lot is not always packed when the theater is full. Her concern is how the traffic could impact the neighborhood that surrounds the theater.

Mr. Todd replied they currently have 250 seats. He said they are doubling their occupancy, but they are primarily doing it because their mode of operation is “pack them in tight.” That is the typical theater mantra. “Pack them in tight” is a thing of the past. They are primarily trying to loosen their theater up. They don't want 500 people in their theater, they want to loosen their density. Regardless of whether they put in 500 or 250 people, they have 31 years of history with their guests mostly exiting out onto 4800 South or State Street, not onto Center Street.

Ms. Dominguez said she knows the theater patrons use Division Lane. The problem for her constituents in the neighborhood is that expanding the theater will add additional traffic. She thinks looking at the possibility of closing off Division Lane would be a good idea.

Mr. Todd replied he would be happy to close the access to Center Street from the theater. It has been the City that has required it to remain open.

Mayor Camp said Desert Star will have to meet the parking requirements as part of the approval process so it's not likely they will be able to build the theater without having adequate parking. Things like that are addressed at the Planning Commission.

Ms. Martinez said she feels comfortable with this project. As long as the density and traffic issues are worked out, she supports this project moving forward.

Ms. Turner said she thinks this is a great idea, but she would like a little more information on the parking issues before supporting it.

Mr. Cox agreed with Ms. Turner. He would like some additional information presented at the next RDA meeting.

Mr. Hales told Ms. Greenwood to plan on bringing this forward at the next RDA meeting.

6. Presentation of the 2019 Smelter Site Overlay District Annual Report (*Presenter: Jay Baughman*)

This item was postponed.

7. Discussion and decision on a Resolution of the Redevelopment Agency of Murray City ("RDA") approving the conveyance of property located at approximately 28 East 4TH Avenue to Murray Aerie No. 1760, Fraternal Order of the Eagles ("FOE") (*Presenter: Trae Stokes*) (See Attachment 3 for slides used during this presentation)

Mr. Stokes said he provided an update on the Murray Fraternal Order of Eagles (FOE) during the May 19, 2020 RDA meeting. This process has moved quick with the Murray FOE. Their members voted and approved the terms of the property agreement on May 28, 2020. They were able to get this to the Grand Aerie for final approval on June 6, 2020. The Murray Aerie are in agreement with the terms in the agreement. Mr. Stokes reviewed the terms in the agreement and explained what property is being exchanged. When everything is done, the RDA will convey the Hanauer Street alignment to the City and the City will move forward with construction.

MOTION: Ms. Dominguez moved to approve the conveyance of property located at approximately 28 East 4th Avenue to Murray Aerie No. 1760, Fraternal Order of the Eagles ("FOE"). The motion was SECONDED by Mr. Cox.

RDA roll call vote:

Ms. Martinez	Aye
Mr. Cox	Aye

Ms. Dominguez Aye

Ms. Turner Aye

Mr. Hales Aye

Motion Passed 5-0

8. Project Updates

Ms. Greenwood said questions for the State Street RFP were due last week. She's hoping to receive at least three proposals. The RFP closes on July 10, 2020. She and her staff will be working with the RDA Chair and Vice Chair to put together a selection committee.

The meeting was adjourned at 6:27 p.m.

Jennifer Kennedy, City Recorder

Attachment 1

Public Hearing: FY20-21 Budget

\$3,421,111 (total expenditure)

- Bond payments
- Tax Year 2020 TIF Payments
- Homeless Shelter Contribution
- Construction of 4250 South in Fireclay
- Affordable housing services (NeighborWorks)
- Property cleanup
- Professional Services
- Salary and administration

Attachment 2

Jesse Knight Ore Sampling Mill



Jesse Knight Ore Sampling Mill

Project Name:	Jesse Knight Ore Sampling Mill
Company:	B.C. Warner Investments
Project Address:	5510 South 300 West Murray, UT 84107
Project Type:	Renovation of shell and new building construction
Project Value:	\$9,000,000
Development Impediment:	Contaminated soils (heavy metals and radium)
CRA Project Area:	Ore Sampling Mill
TIF Funding Request:	\$2,500,000

Jesse Knight Ore Sampling Mill

CRA TIF (20 years)

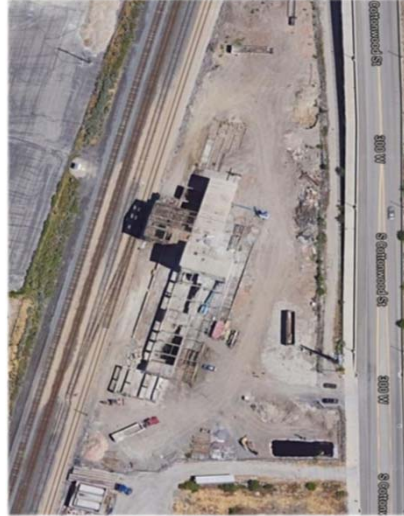
- \$7,331,596

Project TIF (at \$9,000,000 value)

- Request \$2,500,000
- \$1,974,612

Non-Project TIF

- \$525,000



Jesse Knight Ore Sampling Mill

Recommended Motion

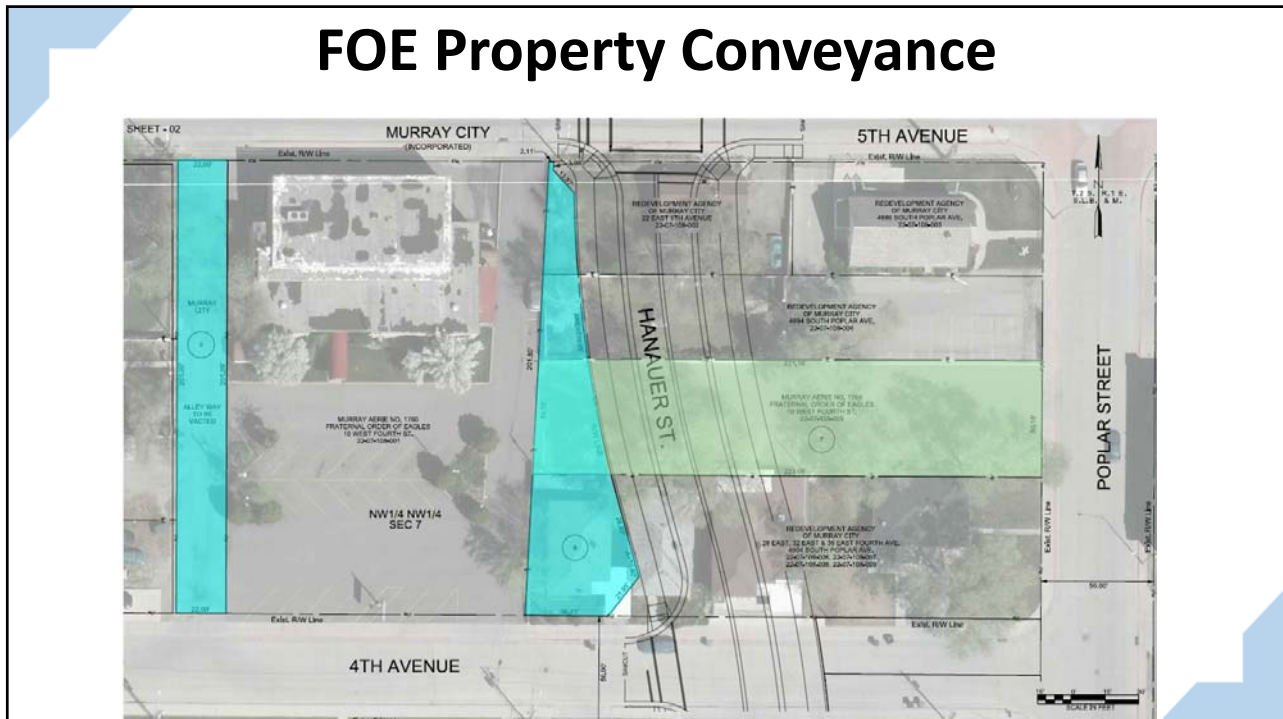
Staff recommends a motion of approval for pursuing a development agreement with B.C. Warner Investment Company with the preliminary terms of TIF funding in the amount of \$2,500,000 dollars to be used to reimburse for contamination remediation with a cleanup process approved by Utah State Department of Environmental Quality.

Attachment 3

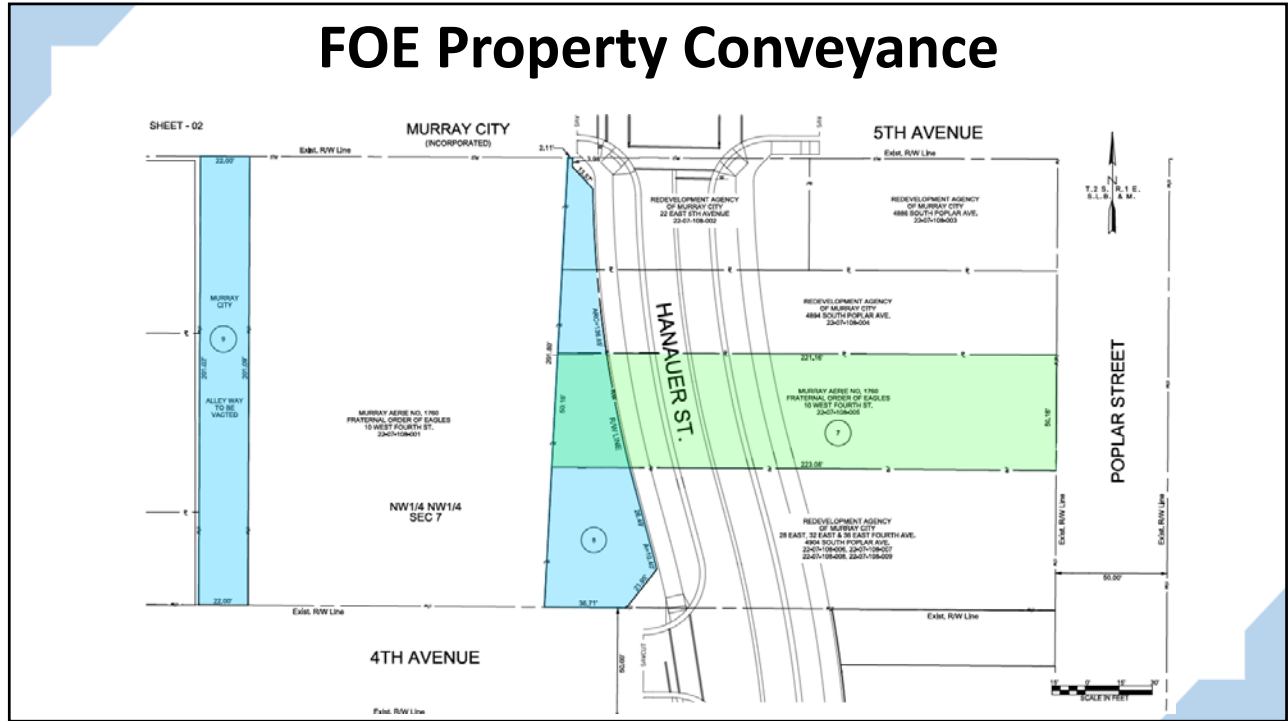
FOE Property Conveyance



FOE Property Conveyance



FOE Property Conveyance



FOE Parking

