

Minutes of the Redevelopment Agency meeting held on Tuesday, October 20, 2015 at 3:30 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

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

Chairwoman Diane Turner conducted and opened the meeting. Blair Camp arrived during the second agenda item.

APPROVAL OF MINUTES

Jim Brass made a motion to approve the minutes of September 15, 2015. Seconded by Brett Hales.

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

REVIEW AND CONSIDERATION OF A PRELIMINARY PARTICIPATION AND DEVELOPMENT AGREEMENT WITH NOVASOURCE ENTERPRISES, LLC TO FACILITATE FUTURE DEVELOPMENT AT THE NORTHWEST CORNER OF 4500 SOUTH AND MAIN STREET IN THE FIRECLAY AREA

Tim Tingey stated that Salt Lake County owns this property and it is used by their Parks and Recreation Department. The County is going to be relocating to a different site over the next few years and Redevelopment Agency staff has communicated to the County that there is interest in obtaining this property for future redevelopment. It is important to have a positive development on this parcel as it is a gateway entrance to the Fireclay area. Recently, Shane Smoot with Novasource Enterprises, LLC and Orden Yost expressed interest in this property and were directed by Salt Lake County to meet with RDA staff. These meetings have resulted in a proposed partnership between the Redevelopment Agency of Murray and Novasource Enterprises LLC to facilitate future development of this property. Mr. Tingey outlined the obligations of each party that are specified in the preliminary development agreement. He stated that the RDA has worked with Novasource previously for development of a hotel and that they have a solid track record in facilitating quality redevelopment projects. They are proposing a mixed use commercial project at this site and as the concept moves forward there will be additional discussions with the Redevelopment Agency and likely a request for a future development agreement. If Novasource does acquire the property and their proposed project does not come to fruition, the Redevelopment Agency has a first right of refusal on this property. RDA staff is recommending approval of the resolution and preliminary development agreement with Novasource Enterprises, LLC.

Jim Brass asked if there is an easement along the railroad tracks. Tim Tingey replied that there is a portion of property that he believes is owned by UTA, and that they have some facilities to the north of this site. Dave Nicponski asked if there would be any issues related to parking for a new development. Tim Tingey responded that parking has not been determined because there is not a proposed development concept at this time. There were no questions from the Board for the developer.

Jim Brass made a motion to approve the preliminary participation and development agreement with Novasource Enterprises, LLC to facilitate future development at the northwest corner of 4500 South and Main Street in the Fireclay area. Seconded by Brett Hales.

Call vote recorded by Jennifer Kennedy.

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

Motion passed, 5-0.

REVIEW AND DECISION ON THE RDA TAX INCREMENT REVENUE PROJECTIONS AND APPROVAL OF THE NOVEMBER 1ST TAX INCREMENT FUNDING REQUEST

Tim Tingey stated that state law requires that the Taxing Entity Committee either meet or receive a report each year on the progress of each redevelopment area in the City. The November 1st report meets this requirement and contains information, based on Salt Lake County data, related to the upcoming year's projections of tax increment financing amounts. In the Central Business District, there was approximately \$957,000 in tax increment financing received this year and the projection for the upcoming year is lower, at approximately \$949,000. The reason for this decrease is because of an expansion and extension of the area that took place a few years ago resulting in there being a twenty five percent pass-through to the County and a few other taxing entities that became effective this year. However, due to some recent projects in the area, the tax value has actually increased. Tim Tingey stated that this is the third year that we have requested increment in the Fireclay redevelopment area. Staff is recommending approval of the November 1st Report and resolution, and also authorization to submit the report to the taxing entities.

Jim Brass made a motion to approve the RDA tax increment projections and the November 1st tax increment funding request. Seconded by Blair Camp.

Call vote recorded by Jennifer Kennedy.

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

Motion passed, 5-0.

DISCUSSION ON POSSIBLE EXPANSION OF THE CENTRAL BUSINESS DISTRICT (CBD) TAX COLLECTION AREA BOUNDARIES

Tim Tingey stated that as the City works through the process of developing the downtown area and negotiating development agreements, there have been some questions raised related to tax increment financing. The Central Business District (CBD) redevelopment area was adopted in 1982, with a smaller tax collection area within the CBD boundaries that is primarily the downtown area and extends west towards the freeway. This means that the City only receives tax increment financing on projects that occur within the tax collection area. The current City Hall site is not included in the tax collection area which is problematic if a future City Hall is located at a different site and the current parcel becomes eligible for redevelopment by a private developer. Without the incentive of tax increment financing it will be difficult to have a private developer want to invest in a project at this site. Mr. Tingey requested that the Redevelopment Agency give direction as to whether staff should proceed with meetings with the taxing entities to discuss expanding the CBD tax collection area to include the current City Hall site, and that he thinks it is important to proceed with this expansion if there is potential for private development of this site in the future.

Dave Nicponski asked why it is important to include the current City Hall site. Tim Tingey explained that the vision for the downtown area requires more density, which results in the need for parking structures and other infrastructure improvements. These are costly items and private developers are not likely to proceed with a project if there is not tax increment financing to help offset these costs. Mr. Nicponski asked if there will be multi-family housing units built at this site. Mr. Tingey said that it hasn't yet been determined what would be developed but it is important to have options available to help in the creation of density in this area. Jim Brass stated that if City Hall is moved to another location within the tax collection area, then the new site will not be taxed and the City will lose increment. The City should not penalize itself if there is a decision to locate City Hall in the existing tax collection area and try to redevelop the current site, so Mr. Brass is supportive of expanding the tax collection area. Diane Turner asked about the procedure for changing the tax collection area and how long the process takes. Tim Tingey replied that the first step is putting together projections and numbers for anticipated impacts on tax increment financing, followed by informal meetings with the taxing entities to discuss the merits of the proposal. Staff would work with a consultant to assist in compiling projections and eventually the taxing entity committee would have to meet formally and make a decision through the voting process. Mr. Tingey estimates that the whole process will take four to six months.

Diane Turner stated that she thinks we should start the process as soon as possible. Dave Nicponski and Blair Camp also expressed support of moving forward.

UPDATES

Tim Tingey stated that staff has held site plan review meetings with the developer of the Metro project that is located on the south side of Fireclay Avenue and adjacent to the Trax parking lot. He said that a parking structure is included in this development project. At the Murray Theater there has been significant clean-up completed inside the building, installation of an exterior door leading to the basement and all of the locks have been changed. Staff is currently working to replace some of the doors at the front of the building and obtaining bids for electrical repair and improvements. Mr. Tingey stated that the electrical work will include some additional lighting in the auditorium area and that the electrical work will start in three or four weeks. Staff has been working with the attorney's office on an agreement for fire monitoring of the building and it is likely that a fire sprinkling system will need to be installed in the future.

DISCUSS THE PURCHASE, SALE OR LEASE OF REAL PROPERTY IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA. THE RDA MAY VOTE TO CLOSE THE MEETING IN REGARDS TO THIS ITEM UNDER SECTION 52-4-204 OF THE UTAH CODE

Chairwoman Diane Turner stated that this agenda item pertains to the sale or lease of real property and that the RDA may vote to close the meeting in regards to this item under Section 52-4-204 of the Utah Code.

Brett Hales made a motion to close the meeting as it relates to sale or lease of property.

Call vote recorded by Jennifer Kennedy.

- A _____ Brett Hales
- A _____ Dave Nicponski
- A _____ Blair Camp
- A _____ Diane Turner
- A _____ Jim Brass

Motion passed, 5-0.

The RDA moved to a closed meeting.

After the closed meeting ended, the regular meeting adjourned.

Meeting adjourned.

B. Tim Tingey, Executive Director