

Minutes of the Redevelopment Agency meeting held on Tuesday, November 17, 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.

#### APPROVAL OF MINUTES

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

A voice vote was made. The motion passed, 5-0.

#### REVIEW AND CONSIDERATION OF AN EXCLUSIVE DEVELOPER AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY, CITY AND J.R. MILLER ENTERPRISES, INC. FOR DEVELOPMENT OF THE MURRAY CITY CENTER DISTRICT AREA

Tim Tingey stated that the agreement pertains to the Murray City Center District area as designated in the ordinance, and that it also pertains to the Central Business District, which is a redevelopment area. In January 2015 the City and RDA went through a Request for Qualifications and Concepts (RFQ-C) process for redevelopment of the downtown, with the intent of identifying a partner to work with on development of a city hall and other public and private projects in this area. Two proposals were received in response to the RFQ-C and a committee was established, containing representatives from the City and Redevelopment Agency, to evaluate the proposals. The committee selected the proposal that was submitted by Woodbury Strategic Partners, which included a number of other entities that comprised their development team. J.R. Miller Enterprises was identified as a member of that team in the proposal along with architects, landscape planners, and other applicable development groups. In discussions with the proposed agreement with J.R. Miller Enterprises, the City obtained a legal opinion to ensure that they had fulfilled all procurement requirements, and it was confirmed that they had. The City and Redevelopment Agency then proceeded to move forward with negotiating an agreement with J.R. Miller Enterprises.

Mr. Tingey outlined the elements of the agreement and specified that this is an exclusivity agreement between J.R. Miller Enterprises, Murray City and the Redevelopment Agency. The agreement will be considered by the RDA at this meeting, and then by the City Council at the meeting later this evening because it is a joint agreement. The exclusivity element is for an eighteen month period, with an option to extend for another twelve months. The City will work exclusively with the developer for development of the downtown, which includes these specific items:

- a new City Hall and related office space;
- a new arts facility either through potential conversion of the Murray Theater or development of the City and RDA-owned parcels on the corner of 4800 South and State Street;
- one or more new parks or open spaces;
- commercial and residential projects which will be proposed by the developer as part of this project;

- one or more new parking structures to serve the improvements in this area;
- new utilities, roads, and other infrastructure related to the redevelopment of the project area;
- requests for tax increment financing, except for the property on the southwest corner of 4800 South and State Street, for a period of four months with an option to extend the timeframe. There are not restrictions from entering into third party agreements for grants or loans that are in accordance with specific programs or policies of the RDA;
- if the City decides to build a City Hall behind the existing building, the developer will be allowed to develop a private project on the front portion of this property;
- any purchase, sale or development of City or RDA property in the MCCD.

Mr. Tingey explained additional elements of the agreement, which includes negotiation of future agreements related to development goals for the area. This provides the City and RDA final approval authority regarding City-owned property and to weigh in considerably on the type of development, land use, structure and architectural elements of future projects. Additionally, the developer will work towards property acquisition to fulfill completion of projects and will also provide analysis, estimates and other information to the City and RDA to assist in evaluating future development agreements for the area. He explained that the RDA has agreed to pursue expansion of the tax collection area to include the current City Hall property and he hopes to have a decision from the taxing entity committee in the upcoming months. The last two components of the agreement were discussed, including what would happen in the event that the agreement was terminated by either party. Exhibit E specifies items that the City and RDA would be responsible to pay to the developer in the event of a termination and includes such things as studies, market data, assignment of rights and obligations related to purchase and sales agreements, earnest money, purchase payments, and other items as outlined. The amount of money that will be spent on each item has been capped, however the products and data obtained will be helpful in moving forward with other projects in this area in the event that this particular development agreement is terminated. Tim Tingey reiterated that there is risk involved in moving forward with this agreement, including an 8% interest component and a cancellation fee.

Mr. Tingey stated that there is one minor change in the agreement that is being proposed at this time related to public and private parking structures in the redevelopment area. He said that when the extension and expansion of the tax collection area was negotiated with Salt Lake County and other taxing entities a few years ago, an important part of the negotiation was related to public and private parking structures. The proposed wording change, which is added for clarification, is on item number two, page six, where it states “on the terms and conditions established by the owner of the parking structure if it is other than the City or RDA” (added wording underlined). This change is to ensure the commitments made to the taxing entities a few years ago are referenced in this document.

Tim Tingey stated that this is the first time in at least eight years that we are moving forward with a full development agreement for the downtown area. There have been preliminary development agreements and a memorandum of understanding, but this is the first agreement that allows the City to work with a developer to facilitate quality development in the downtown area. He said that it is important to have partners in this project to provide additional capital, expertise and a willingness to work towards recruiting projects that we want in this area. He stated that future agreements will contain specifics related to the shape and form of developments in the downtown, including a new City Hall. Those agreements will ultimately be decided on by the RDA and City, and there will be many opportunities for input from the board related to proposed projects. Mr. Tingey stated that he thinks this proposed agreement is a great opportunity to move forward with projects in the downtown and he is recommending approval of the development agreement with the wording change as mentioned.

Jim Brass stated that when Salt Lake County consented to extension and expansion of the Central Business District a few years ago that it was a somewhat unprecedented decision for them. He thinks the parking clarification is critical for purposes of successfully negotiating any potential expansion of the tax collection area. He said that he is excited for this opportunity to have projects move forward in his district, and that there is potential for something very unique and special to be developed.

Frank Nakamura stated that in evaluating the risk, it is important to keep in mind that in the case of termination the City would still retain some benefits such as property, earnest money agreements, drawings and other work product. So although there is some risk, the City would still be getting something of substance in return. He also stated that clarifying the issues about parking structures was a good suggestion by Councilman Brass and that there will not be any separate agreements that would be inconsistent with prior representations to the County in obtaining the extension of the Central Business District.

Diane Turner stated that she is very excited about this agreement and she thanked staff for being so willing to take time to explain issues related to the agreement and making this an open process.

Jim Brass made a motion to adopt the Exclusive Developer Agreement between the Redevelopment Agency, City and JR Miller Enterprises, Inc. for development of the Murray City Center District Area, with the addition of the wording that states "if the owner is other than the City or RDA" on page six of the agreement. 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.

#### UPDATES

Tim Tingey stated that in the Fireclay area there has been a lot of interest in the property located just north of the Trax station parking lot. The parcel is approximately 2.5 acres and is part of the development agreement with Hamlet Homes. Under the development agreement this parcel has to be developed as full commercial and a few project ideas have been discussed. Additionally, Mr. Tingey stated that he has been in contact with the County related to the development agreement with Novasource and they seem willing to move forward with the property acquisition that needs to take place. He said that there have been many conversations about parking in the Fireclay area and with some of the additional tax increment from this area it may be worth considering property acquisition to mitigate some of the parking concerns. Staff will continue to evaluate this and will present additional information to the board in the future.

Mr. Tingey stated that there have been a number of improvements made at the Murray Theater since the Redevelopment Agency purchased it a few months ago. There has been significant clean up both inside and outside the building, and recently a sign company has been working on the exterior sign to repair the lighting and install a timer to turn off the sign during certain hours. A contract is currently in process to have electrical work completed inside the building, which will include additional lighting, safety repairs

and maintenance. Two of the doors on the front have to be replaced and have been ordered. The last steps will include cleaning the carpets and chairs.

Related to the Ore Sampling Mill area, Tim Tingey stated that all of the documentation is prepared, including an application, for submission to Salt Lake County. However, with the recent proposal to move forward with expansion of the tax collection area in the Central Business District, it would be preferable to hold off on establishing a new redevelopment area around the Ore Sampling Mill. He thinks it would be better to address the tax collection area modifications first and then consider moving forward with the Ore Sampling Mill area proposal.

Meeting adjourned.

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B. Tim Tingey, Executive Director