

A meeting of the Board of Directors of the Redevelopment Agency of Murray City was held on Tuesday, February 19, 2019 at 3:30 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Board Members

Jim Brass, Chair
Dale Cox, Vice Chair
Dave Nicponski - Absent
Diane Turner
Brett Hales

Others in Attendance

Blair Camp, Executive Director
Melinda Greenwood, Deputy Executive Director
Janet Lopez, City Council Executive Director
Jennifer Kennedy, City Recorder
Doug Hill, Chief Administrative Officer
Jennifer Heaps, Communications and PR Director
Kim Sorensen, Parks and Recreation Director
Lori Edmonds, Cultural Arts Director

Mr. Brass called the meeting to order at 3:30 p.m. and noted that Mr. Nicponski was not in attendance, probably due to being stuck up on Capitol Hill.

1. Approval of minutes from the meeting on January 22, 2019

MOTION: Ms. Turner moved to approve the minutes from January 22, 2019. The motion was SECONDED by Mr. Hales. Voice vote taken, all "ayes."

2. Update on 5-year Smelter Site Overlay District (SSOD) Environmental Monitoring

Ms. Greenwood said tomorrow staff from the Environmental Protection Agency (EPA) and the State Department of Environmental Quality (DEQ) will be touring the SSOD site with city staff in preparation for the five-year review which is required for the type of monitoring they do for the city. Ms. Greenwood explained that every five years they do a more comprehensive report than the reports that are done annually. There is also a comment period for the public to express any concerns they may have with the SSOD area. The Staff from the DEQ who are involved with the public portion of the report have been reaching out to businesses in the SSOD to see if they have any concerns. So far, there have been no concerns brought up by any of the businesses they have reached out to.

3. Presentation on the Murray Depot development located at 54 West Fireclay Avenue

(See Attachment 1 for slides used during this presentation)

Ms. Greenwood said this is a new proposal that the RDA has not seen yet. She added that staff has approved the site plan for this proposal, and it is an approved use in the TOD Zone. The address for this location will be 54 West Fireclay Avenue and the development is called Murray Depot.

Ms. Greenwood introduced Kirt Peterson from Horizon Development. She explained that Murray Depot will be a low-income or affordable housing development. There will be 93 residential units and 4 commercial units. The commercial units will front Fireclay Avenue and the residential units will be on the upper levels of the building. Ms. Greenwood showed some slides of the site. She added that this project will have secured, underground parking.

Ms. Greenwood stated this group has all of their approvals in place and are getting ready to pull building permits. They just have to finalize a couple of things with their title reports so they can get

their funding, which is Section 42 Funding. She added this project is great for Murray City, especially in light of the affordable housing conversations that have been going on around the State and at the Legislature. This project will contribute to the city working towards finding solutions for affordable housing.

Kirt Peterson – Horizon Development

Mr. Peterson said this project will consist of a mixture of market rate and affordable housing. He noted that a similar type project was done just to the east of this. He stated the only occupied space on the main floor will be commercial space that will run along Fireclay Avenue. There will be four floors of residential space above that. The entire site will be enclosed and secured with gated fencing. Both vehicular and pedestrian traffic will have to go through gates.

Ms. Turner asked how many parking stalls are planned for this project. Mr. Peterson replied there is 1.5 parking stalls for every unit, and that does not include the street parking that surrounds the project. Of the 93 units, there are 50 1-bedroom units, four studios, and a few 2-3-bedroom units. This is similar to a project they did in Midvale and there have been no parking issues at their Midvale property at all.

Ms. Turner asked what Section 42 Funding was. Mr. Peterson replied it refers to the IRS, Section 42. He added that a lot of people refer to it as LIHTC, low-income or tax credit housing.

Ms. Turner asked how many units of this project would be Section 42 housing. Mr. Peterson replied of the 93 units there are 25 market rate units and the rest would be affordable housing units. Mr. Peterson explained how the rent rates are set.

Mayor Camp asked how the commercial component of the project works if the entire project is gated and secured. Mr. Peterson explained the commercial spaces are along Fireclay Avenue so people will have direct access to them. The fencing will start at the corner of the building and go around the building, leaving the commercial units open to the public.

**4. Discussion and approval of Fifth Amendment to Birkhill Participation Agreement between the
Redevelopment Agency of Murray City and Hamlet Development Corporation and Silver Spur
Capital, LLC**

(See Attachment 2 for slides used during this presentation)

Ms. Greenwood said the purpose of this is to amend the agreement to fit what will actually be constructed at Fireclay. The history of this goes back to 2007 when this agreement was first approved. This amendment will denote the sale of the property, Lot 203, which is the lot Mr. Peterson has purchased for the Murray Depot. The amendment also mentions the subdivision, that took place in 2011, that allowed for Mr. Peterson to be able to purchase the property. Ms. Greenwood noted that there is an Estoppel Agreement that comes out of that subdivision. The Estoppel Agreement is essentially a housekeeping item that Mr. Peterson needs to get a clean title on the property so he can get Federal Funding for the project. The initial development agreement included the recordation of conservation easement. That conservation easement stated that the property couldn't be

subdivided or sold, however, in 2011, the property was subdivided and sold. On March 5, 2019 the Estoppel Agreement will be presented to the City Council. The Estoppel Agreement explains step by step what happened, says the city accepts the breach of that agreement, cleans up the title, and records what has historically happened.

Ms. Greenwood noted that this agreement also amends the site plan and outlines the eligibility of the tax increment funding.

Mr. Brass said when the RDA made the development agreement for Fireclay it included site plans. The reason for the site plans in the development agreement was to lock the developer into building what they said they would. This project was done in phases and this was the final phase. With this fifth amendment, the RDA is getting essentially a very similar product to what was in those site plans. It's actually a better project because of the underground parking and other amenities. But because it's a different developer and the site has been split, the paperwork has to be done.

Mr. Pool stated as the title work was performed on this property, it was confusing to the lender, Wells Fargo as well as the tax-credit investor, who is an American Express entity. They did not understand the involvement of the RDA in relationship to the city approvals. This Fifth Amendment to the Participation and Development Agreement 1) confirms that Mr. Peterson and his company are not claiming any right to the participation reimbursements that Mike Brodsky is entitled to; 2) asks Mr. Brodsky to approve this project as disclosed; and 3) has the RDA confirm this is an approved project consistent with the RDA's expectations.

Mr. Pool said the other agreement, which is in the context of a city agreement, clarifies and cleans up the paperwork for this project. The conservation agreement that the city has, acknowledges the city has accepted all of the improvements and that Mr. Brodsky has performed all the improvements on the conservation easement, however, that is not the case. The new agreement cleans and clears up everything and has the city acknowledge that the current plan is consistent with the original Fireclay plan that was adopted in 2007. That is what is necessary to make the lender and tax credit investor comfortable so the project can get started.

Ms. Greenwood added the reason the Estoppel Agreement is going before the city rather than the RDA is because the easement was dedicated to the city.

MOTION: Mr. Hales moved to approve of the Fifth Amendment to Birkhill Participation Agreement between the Redevelopment Agency of Murray City and Hamlet Development Corporation and Silver Spur Capital, LLC. The motion was SECONED by Mr. Cox.

Roll call vote:

Ms. Turner	Aye
Mr. Hales	Aye
Mr. Cox	Aye
Mr. Brass	Aye

Vote 4-0

5. Project Updates

a. Cadence Ridge: Fireclay Area Warehouse Demolition

(See Attachment 3 for slides used during this presentation)

Ms. Greenwood said this property is located at 106 Fireclay Avenue. There has not been a formal application submitted for this location, but they have gone through a concept plan. The applicant, should they apply, would be Provo NeighborWorks and the Housing Authority of Salt Lake and this would be another low-income residential housing project.

This project would have 120 residential units; 108 one-bedroom and 12 two-bedroom. This is permanently supportive housing which means it can be for people who are medically dependent, veterans, those who are in transition, those who may have issues with addiction or are near homeless. This would be subsidized through the housing authority of Salt Lake County. Ms. Greenwood showed an initial concept plan that includes a parcel that could be used to help with some of the parking issues.

Ms. Greenwood noted the applicant may ask the city for funding to build a road (4250 South) to connect through. They are also hoping the city would be interested in purchasing the parcel for parking to help with the parking issues in that area. This concept plan should be going before the Salt Lake County Housing Board to get an acknowledgement that this development meets their requirements. After that, they will submit a formal application to the city.

Ms. Greenwood said as this project goes through the application process, staff would bring some form of a development agreement to the RDA to approve any funding to help them build their facility.

Mr. Brass stated they've talked in many meetings about a deal to knock these two buildings down, put a road through and try to get parking. However, this is the first time the RDA has heard specifics about the project.

Ms. Greenwood said she thinks this project has evolved since they first started talking about it. She also noted that this project would be five stories high with podium parking and there would be 24/7 on-site personnel to staff the facility. She also said the developer likes this location because of its proximity to the hospital.

Ms. Turner asked Ms. Greenwood if she knew the cost of this project. Ms. Greenwood said she did not know the cost, only that the developer felt that all three acres of land were worth about \$2.5 million.

Mr. Brass said the city needs the parking this project would add to this area, and the old buildings need to go. He would like to see what this piece of property for the parking area would cost the city.

Ms. Turner asked who currently owns the property. Ms. Greenwood replied she believes the property is owned by a combination of Provo NeighborWorks and some private property owners by the name of Lavery.

Ms. Greenwood said there is potentially \$200,000 of funding that has been approved for the city to use that could possibly be used to help purchase this property.

b. Downtown Development Proposal from 5th Avenue Associates

Ms. Greenwood said 5th Avenue Associates submitted a preliminary concept design and had asked staff a number of questions. The RDA was provided with answers to those questions that were submitted to staff from 5th Avenue Associates. Those answers were sent on to 5th Avenue Associates and they have requested a meeting on Friday to get some clarification of some of the answers they were given.

c. Ore Sampling Mill

Ms. Greenwood said there was a meeting on January 16, 2019, with Bart Warner and those that are wanting to develop the Ore Sampling Mill property. During that meeting, a discussion took place about a cross-parking agreement which would create enough parking for the building they want to have. That agreement, should it go forward, would require the city to lease part of its right-of-way to the developer to be used for parking.

Ms. Greenwood said the interesting thing is that the belief is the right-of-way was purchased with federal highway funds. That makes this more difficult because the Feds expect the use of that property to be maintained because the city used federal funds to purchase the property. Trey Stokes, City Engineer, contacted the Utah Department of Transportation (UDOT) to see if a cross parking agreement would be allowed. UDOT responded it could be allowed, but there would be caveats. Because of that, staff is contacting the Federal Highways and work with their right-of-way group or attorneys to get an answer straight from them since its their funding.

Ms. Greenwood added that according to UDOT, if the city moved forward, if there were any money that would change hands with the lease, that money would have to go back to the federal highways and the use would have to remain the same.

Mr. Hales asked if the owner is still enthusiastic about the project. Ms. Greenwood replied the enthusiasm level is dropping. The city had let the developer know, multiple times, about the soil contamination at that property and the issues that came with that, but she didn't feel like they had a full understanding of the extent and cost to clean it up. The developer has tried to bring an alternative solution to the State DEQ on remediation, but the State has not been keen on the idea they brought to them.

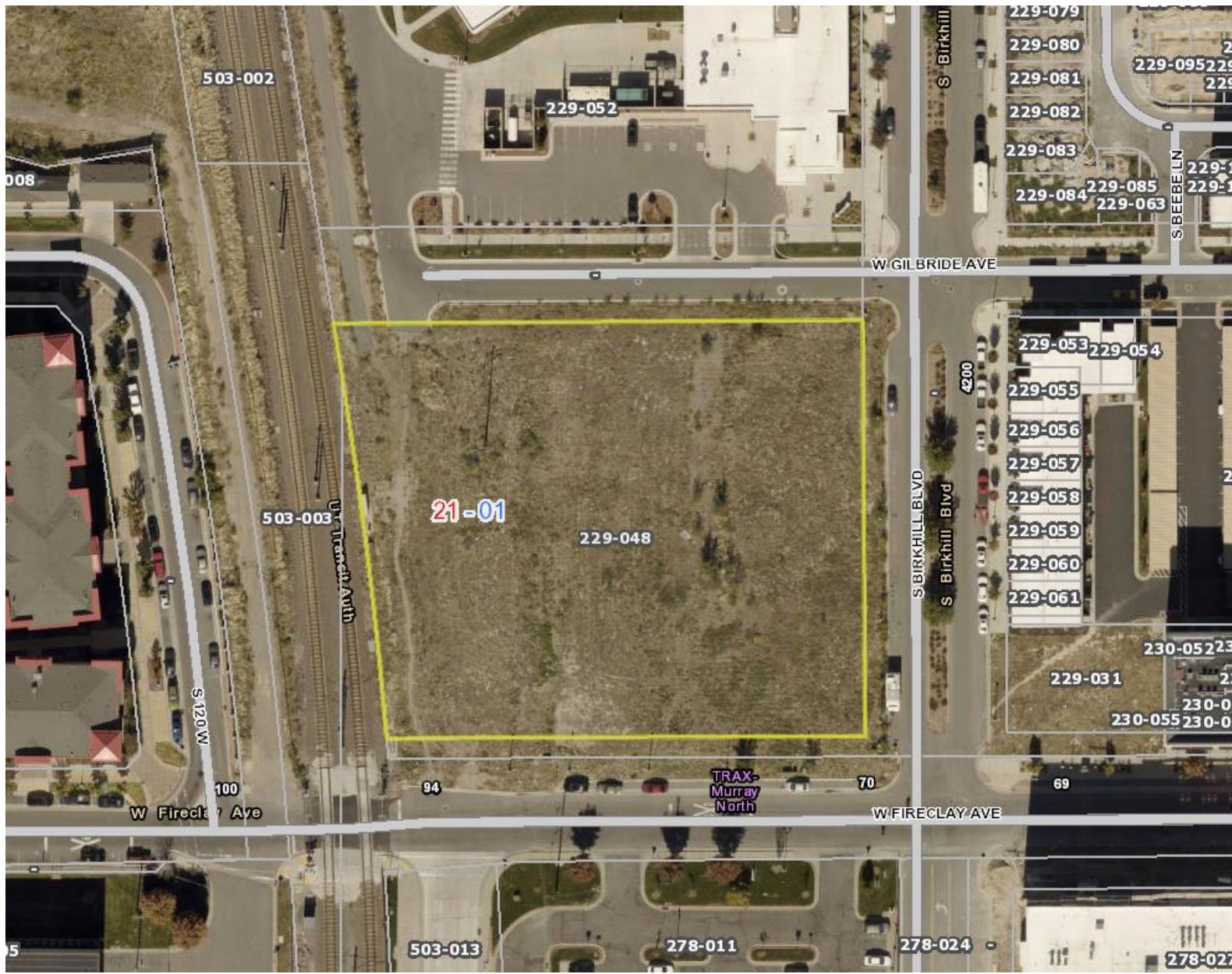
Attachment 1

Murray Depot

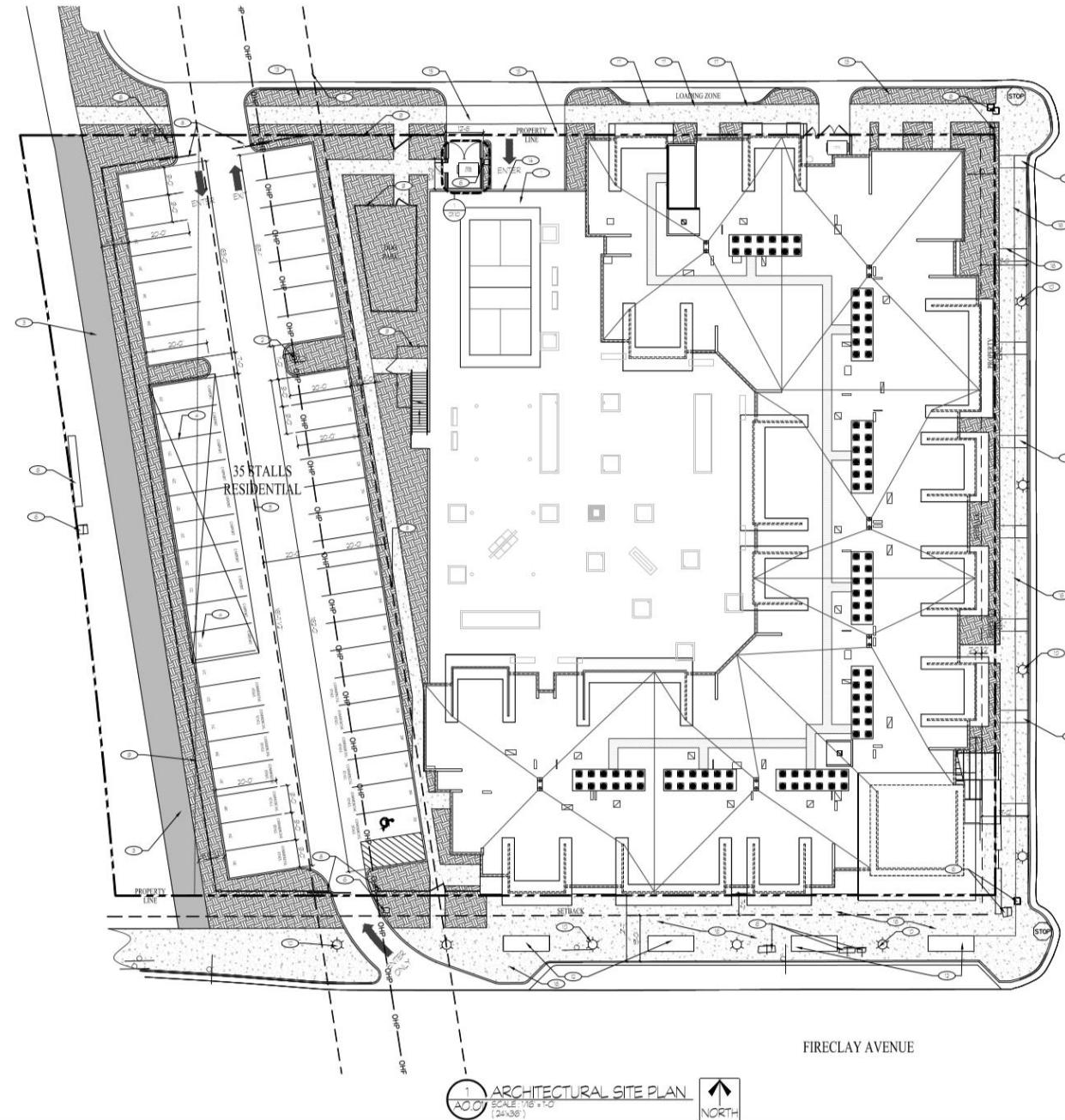
54 West Fireclay Avenue

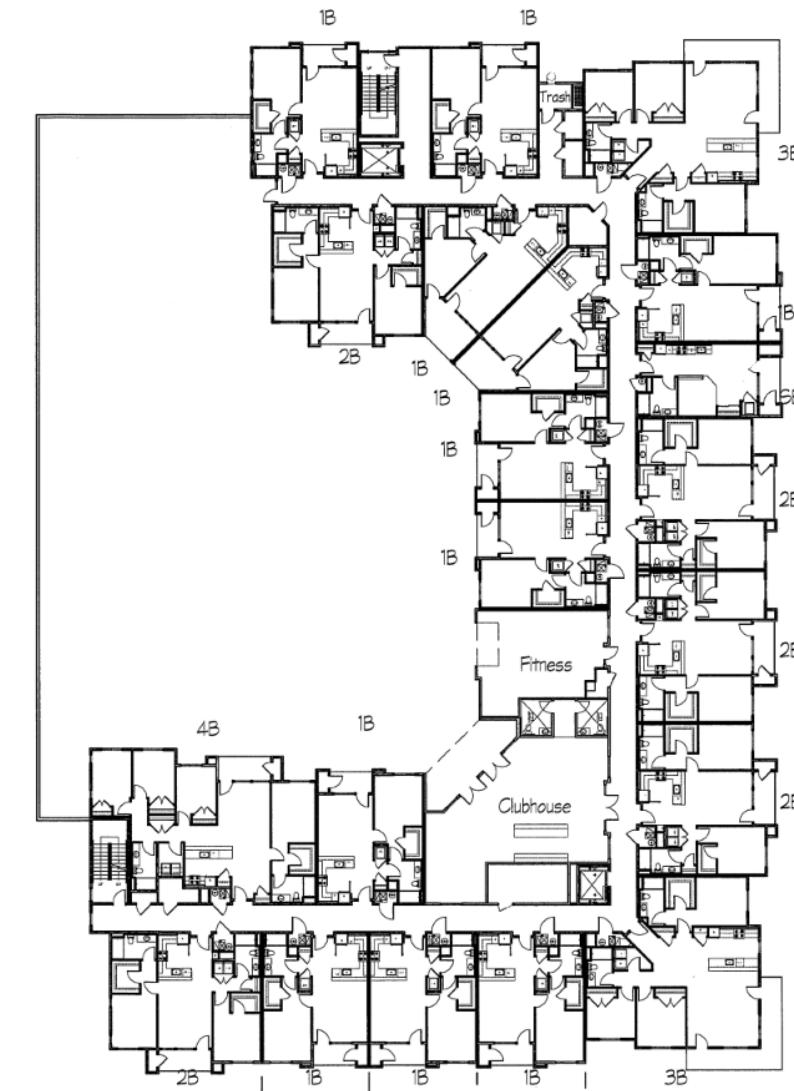
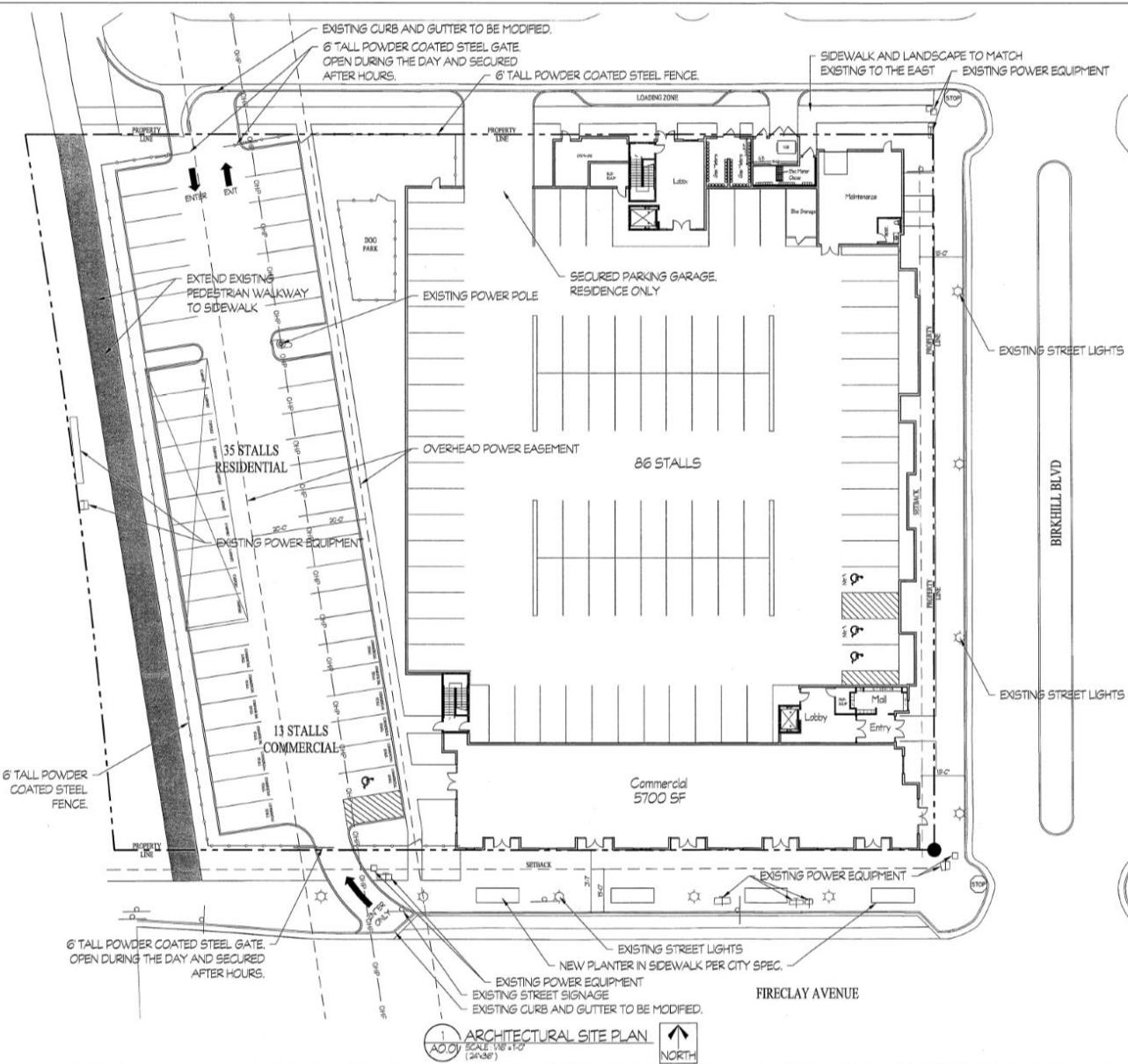
- 93 Residential Units
- 4 Commercial Units (5,700 ft², fronting Fireclay Avenue)
- Zoning: TOD
- Property Size: 1.71 Acres











2 **OVERALL FLOOR PLAN** LEVEL
 A1.01 SCALE: 1:16 = 1'-0
 (24'36")



Attachment 2

Birkhill Participation Agreement

5th Amendment

- Denotes sale and ownership of property (Lot 203)
- Birkhill Phase 2 Subdivision (August 12, 2011)
 - Estoppel agreement forthcoming to City Council
- Amends site plan for agreement
- Eligibility of TIF reimbursement





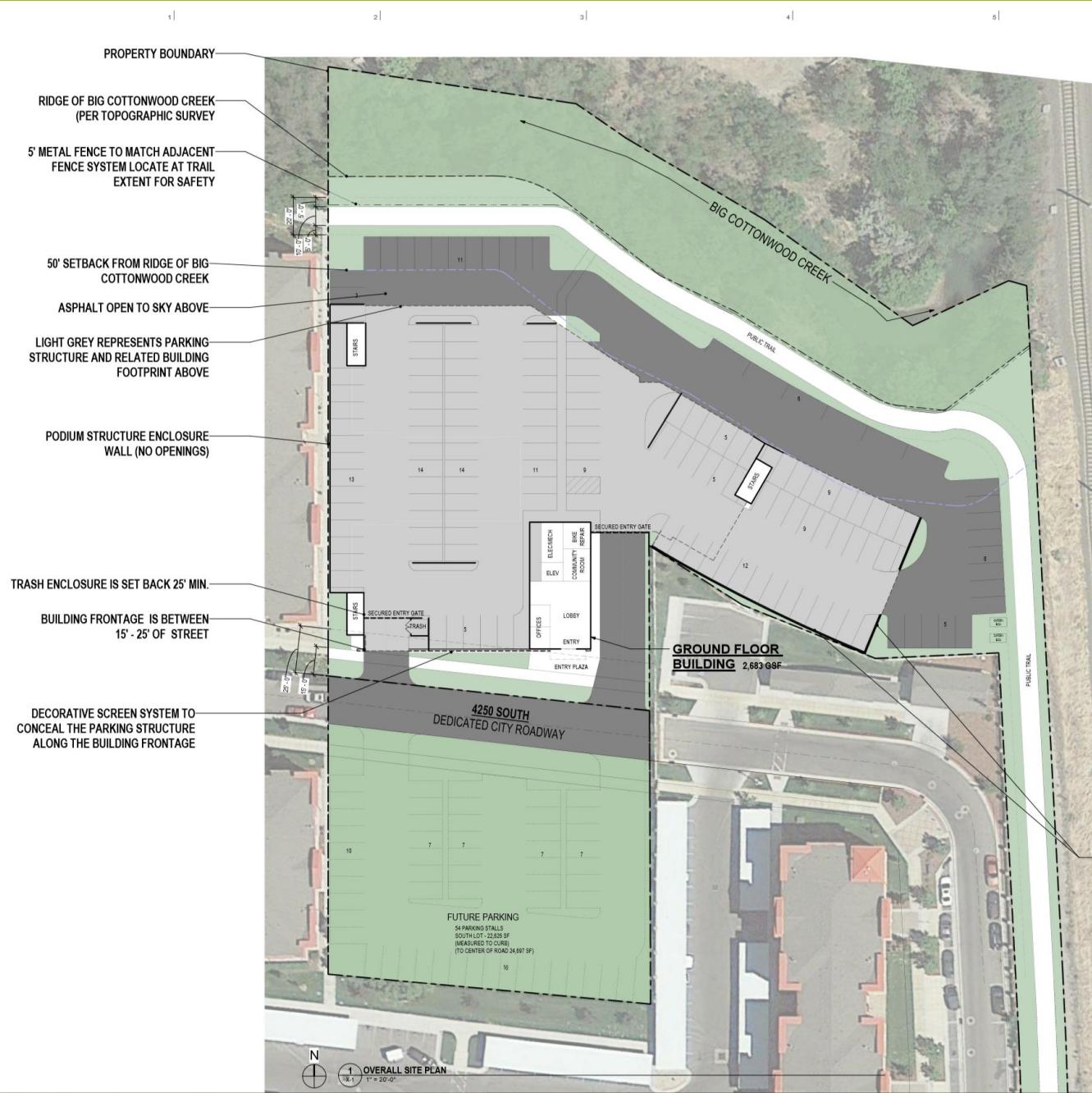
Attachment 3

Cadence Ridge

106 Fireclay Avenue

- Provo Neighborworks; Housing Authority of the County of Salt Lake
- 120 Residential Units (108 one-bedroom; 12 two-bedroom)
- Permanently Supportive Housing
- Zoning: TOD
- Property Size: 3.03 Acres





FLOORS 2-5

(27) 1-BDRMS/FLOOR
(3) 2-BDRMS/FLOOR

30 UNITS TOTAL PER FLOOR
23,208 GSF/FLOOR

