

Redevelopment Agency of Murray City Meeting
March 23, 2022

The Redevelopment Agency (RDA) of Murray City met on Tuesday, March 23, 2022, at 1:00 p.m. in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Members of the public were able to view the meeting via the live stream at www.murraycitylive.com or <https://www.facebook.com/Murraycityutah/>. Public comments could be made in person or by submitting comments via email at: rda@murray.utah.gov. Comments were limited to 3 minutes or less, and written comments were read into the meeting record.

RDA Board Members

Diane Turner, Pro Tempore Chair
Rosalba Dominguez
Pam Cotter
Kat Martinez
Garry Hreckosy

Others in Attendance

Brett Hales, RDA Executive Director
Doug Hill, Chief Administrative Officer
G.L. Critchfield, City Attorney
Jennifer Kennedy, City Council Executive Director
Jared Hall, Community & Economic Dev Director

Diane Turner called the training meeting to order at 1:00 p.m.

Training and discussion regarding the purpose, role, and function of the RDA led by G.L. Critchfield, City Attorney

G.L. Critchfield presented the RDA purpose, role, and function training. He began with the history of the housing act. RDAs come out of a time when there was a housing crisis following World War II and the great depression. President Truman had a republican dominated congress which was not funding his urban renewal plan. He won re-election and the democrats took over congress and funded his plan. Out of that came the Housing Act of 1949, with the idea being that every American deserves a decent home and a suitable living environment. In section one of the housing act was financing for slum clearance under the urban renewal plan. As this evolved across the country, the Federal Government said they would pay 2/3 and 1/3 would be paid by the owner. The Utah neighborhood Development Act was designed. Utah's RDA laws have gone through many changes over the years. Mr. Critchfield highlighted several of the changes. In Utah there are 63 cities with RDAs, which are mainly active in the more populated areas.

Redevelopment essentially encourages the public sector working with the private sector. Cities are not developers, cities regulate developers. The agency itself is a separate and distinct legal entity from the city. The board of commissioners of Murray City will be designated as the board members and the State law appoints the mayor as the director of the RDA. The Community and Economic Development Director is usually appointed as the Executive Director. The agency itself has specific statutory powers like a corporation. Mr. Hreckosy stated the council sets the areas that the agency can then influence. Mr. Critchfield stated it is a symbiotic relationship but mostly the agency. The agency is forever unless you dissolve it. Ms. Cotter asked how it would be dissolved. Mr. Critchfield stated that like other things, majority rules, however the agency cannot be dissolved if there are owned properties and outstanding debt. The powers of the RDA are that the agency can adopt a budget, enter into agreements, buy, and

sell property within certain guidelines, rehabilitate, modernize, it has limited power of eminent domain, and it can collect property tax increment. The RDA has no taxing power. The core purpose of an RDA is redevelopment and rehabilitation. Take property that is not productive. The RDA can reconfigure property that is inefficiently used or laid out poorly and demolish, relocate utilities, finance infrastructure, clean up properties, build streets and sidewalks, sewer, storm drains, water systems, and streetlights. The idea is to revitalize the city by making those areas more attractive and usable. The goal is to use a little public money to bring private money in to develop properties. The way it generally works is the CED Director, who is in the planning world, sees an area that needs redevelopment and brings it to the attention of the mayor. It is then voted on by the RDA members and is adopted by both RDA and City Council. The plan gets drafted, and is noticed to the surrounding properties, taxing entities and the public. It is consulted with the taxing entities that will be impacted. Along with the plan there will be an in-depth analysis of the budget, and that is adopted and circulated. There is another step where the tax increment is negotiated with the taxing entities. The county assessor will assess the project area and set a value for tax. The increment is the amount that the RDA would take to reimburse the developer for the contamination, infrastructure, or other extraordinary costs. Once a deal is made with a developer it can take up to four years before collecting the incremental tax. This can be bonded in order to get money up front, but that isn't as recommended. Mr. Hrechkosy asked if he could summarize to see if he is understanding it correctly. Initially the area will have a value, the redevelopment will come in and have a new assessed value, the difference between what it was and now is will be the increment that can be used by the RDA to reimburse a developer or do other things.

Mr. Hill pointed out that for a redevelopment area to be created, a taxing entity committee is formed and must sign off on the idea. Essentially, they must buy into your plan. The county can be the most difficult entity to get on board. The county has established very specific criteria that has to be met in order for them to vote for it. Creating new redevelopment areas is more challenging than it used to be. The smelter site was not intended to be a hospital; originally it was intended to be a mall but when they weren't able to negotiate a final deal with the city, the property was sold to IHC.

Ms. Dominguez stated the big push now is for livable communities, not just commercial. Ms. Cotter added that housing is the major topic in Washington. There was further discussion about finances and incremental taxes and a brief review of the existing RDA areas and what has and has not been developed.

Mr. Critchfield reviewed the process of eminent domain and explained the city has the authority to condemn property but hasn't in over 20 years. It is always the very last option. The city approaches the owner and asks to buy. If they say no, the owner can ask for ombudsman mediation to talk through the process and ask for second appraisal of their choice. Ultimately a lawsuit is filed but juries in Utah do not favor government when taking private property.

Mr. Hill explained that a newer requirement of RDAs is the requirement to set aside an amount of the increment collected to be used for affordable housing. Mrs. Cotter stated her district has many blighted areas. There was discussion about the ability to use some of the that money for affordable housing outside of the RDA project areas. Mr. Hill verified the affordable housing money is being used for NeighborWorks to provide down payment and other assistance to lower income citizens and homeless housing commitment to the State.

Redevelopment Agency of Murray City Meeting

March 23, 2022

Page 3 of 3

Ms. Martinez asked whether there were things to keep in mind as two different bodies as the City Council and RDA. What we can do and not do, what can we say and not say. Mr. Critchfield explained that whatever entity is being represented at the time you need to wear that hat. The city does not regulate "ugly", and they don't regulate ownership. The closest the city comes is requiring that an ADU has to be owner occupied. Typically, the language would be about the vision of the city for a project. Ms. Turner clarified it is understandable that developers want an RDA to help them, but the process is arduous. Mr. Hreckosy asked why the city, or its citizens, would want or not want an RDA. Mr. Critchfield and Mr. Hill explained that there are a lot of misconceptions about RDAs. Many people don't completely understand how they work, and generally think the money is misused or that it only benefits developers. Developers take many risks even with the RDA. RDA property can be sold and then built within the zone requirements. There was some discussion about the upcoming survey that is going to be done and of the proposal Susan Wright proposal of the promenade on Block One.

No further business was discussed.

The meeting was adjourned at 4:38 p.m.

Meeting Minutes transcribed by Jaymi Pasin, Community and Economic Development Office Administrator