

The Redevelopment Agency (RDA) of Murray City met on Tuesday, January 16, 2024, at 5:30 p.m. in the Murray City Council Chambers, 10 East 4800 South, 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 three minutes or less, and written comments were read into the meeting record.

In Attendance:

RDA Board Members

Rosalba Dominguez, Chair
Pam Cotter, Vice Chair
Adam Hock
Diane Turner
Paul Pickett

Others in Attendance

Brett Hales, Executive Director
Brooke Smith, City Recorder
G.L. Critchfield, City Attorney
Phil Markham, CED Director
Pattie Johnson, Council Office
Doug Hill, Mayor's Office
Zachary Smallwood, Senior Planner
Jennifer Kennedy, Council Office
Camron Kollman, IT Department
Rob White, IT Department
Brenda Moore, Finance
Elvon Farrell, CED Department
Travis Bodcher, Fire Department
Anthony Semone, NeighborWorks
Members of the public, per sign-in sheet

APPROVAL OF MINUTES

There were no minutes to be approved.

CITIZEN COMMENTS

Chair Dominguez opened and closed the citizens comments period, with no comments being made.

DISCUSSION ITEMS

Board Training on Powers and Duties of the Redevelopment Agency – G.L. Critchfield, City Attorney Presenting

The City Attorney, G.L. Critchfield, informed the Murray City Redevelopment Agency (RDA) Board about their powers, duties, and the redevelopment process. He noted there were various applicable state statutes included in the packet for the board's review but said he would not review them in detail. Instead, he gave an overview of the Board's authority and encouraged them to consider what redevelopment means and their role in it. Redevelopment involves public-private partnerships to redevelop blighted properties and put them into more productive use. The goals include economic growth, job creation, and eliminating blight. Actions can include reconstruction, land assembly for development, using tax increment financing to reimburse developers for improvement costs, and investing in infrastructure to assist private

development. Relationships with private investors and developers are key. The Murray RDA was created by ordinance in 1976. By state law, the elected City Council members also serve as the governing RDA Board. The mayor is the RDA Executive Director. This structure provides accountability. If the RDA does poorly, the Council members may face consequences at the ballot box. Ideas for new RDA project areas often come to the mayor from various sources. If pursued, the RDA Board authorizes studies of potential project areas. Staff draft project area plans, and the Board decides whether to create a formal project area. The RDA has powers like other local entities to contract, buy/sell property, rehabilitate structures, adopt plans and budgets, assist housing development, acquire, and resell private property, and utilize eminent domain. A key power is utilizing tax increment financing to fund redevelopment. To create a new project area, first a survey resolution identifies potential areas for study. Impediments to development are examined and a draft plan created for each potential area. The RDA Board then considers creating a project area with defined boundaries. Public hearings provide community feedback. After adoption, a project area plan describes purposes, goals, actions like property acquisition or improvements, and limitations. Financing details are also outlined. State law requires collaboration with affected taxing entities. Adoption of a formal redevelopment plan takes 12-18 months. Plans can be up to 25 years unless taxing entities agree to a longer term.

Chair Dominguez thanked Mr. Critchfield for his presentation.

Board Update on Current Fund Balances for Each RDA Area – Brenda Moore, Finance Director Presenting

Brenda Moore provided an update on all the Redevelopment Agency (RDA) areas. She presented the RDA fund balance for fiscal year 2023 for the five areas - Central Business District (CBD), Fireclay, East Vine, Cherry, and the Smelter Site. Interest earned on the fund balances was allocated proportionally based on ending fund balances. The CBD had a negative balance because, although its low-income housing was earning a little interest, it had borrowed money from other areas. The Cherry and Smelter Site areas will no longer collect tax increment payments after March. The Smelter Site encompassed the hospital area and Cherry Street is a small area off 4800 South. The other ongoing areas were East Vine, Fireclay, and the CBD where City Hall is currently located. At the end of last fiscal year, the CBD had a \$396,000 fund balance but \$1.1 million of that was reserved for low-income housing. Fireclay had a \$3.7 million balance with \$1.2 million for housing. East Vine had a modest \$156,000 balance. Cherry Street had a \$299,000 balance but major work had been done there during the current year. The Smelter Site had a \$4.1 million balance with \$980,000 for housing. Ms. Moore provided estimated year-end fund balances. She adjusted tax increment projections down based on more conservative county estimates instead of her budgets. The CBD estimate jumped to \$9.2 million due to the pending sale of RDA property in the area. The Board would need to determine how best to leverage the influx of funds for economic development there.

Chair Dominguez asked when CBD expires.

Ms. Moore said this RDA will stop collecting in 2034.

Chair Dominguez asked when each of the RDA's stop collecting.

Ms. Moore said she didn't have that information with her but believes that East Vine ends in 2028. Fireclay is shortly after that. Again, CBD is 2034, which can be expanded due to COVID.

Ms. Moore said she wouldn't recommend it unless there is a project going on. If no projects end up happening, she would suggest that the city give the property taxes back to the taxing entities.

Ms. Moore continued, regarding the Cherry Street area, \$298,000 had been spent to repave and improve Cherry Street itself which was over 20 years old. Work included repaving, gutter cleaning, and general cleanup. The area was also looking at potential sidewalk projects to improve pedestrian connectivity since there were many gaps currently requiring people to walk in the street. A large apartment complex was being built nearby so improving walkability to businesses on 4800 South made sense. In the Smelter Site, funds had been allocated for LED lighting and other infrastructure improvements. Even with significant spending, the projected ending balance was still \$2.5 million. She stated that additional ideas are needed on spurring development or area improvements for the residual funds. East Vine was projected to end next fiscal year with \$175,000. Staff were scouting potential infrastructure rehab projects like roads to support the aging area as needed. In Fireclay, RDA funds reimbursed developers on projects per agreements. One developer not finishing a project did not receive reimbursements. Low-income housing funds also financed the MTAP program. Recent safety improvements included installing protective bollards in the area. Several properties remain for development and funds are available to support continued growth. The CBD will have major potential funds from the pending City Hall property sale. Even without that, the area still has substantial land holdings to support Block 1 and other development when the time was right.

Board Member Turner asked Ms. Moore to explain how the East Vine RDA works.

Ms. Moore believed the East Vine area used to be farmland. At some point, infrastructure improvements would have been needed to connect and develop the area. Some money had been paid to the water and wastewater utilities, potentially to repay connections. Her understanding was that infrastructure was installed to enable development on all four corners of a key intersection. The building now housing a regional county organization was located in East Vine. The streets were completed to create an improved intersection. Other than the court buildings and related businesses, additional details on past infrastructure investments were unclear. Currently East Vine was not seeing much activity but continued collecting tax increment funds.

Mr. Hill provided additional information since he was in Murray when this RDA was created. The East Vine area was originally created to redevelop the old Highland Dairy site, which had many deteriorating buildings and underground concrete structures used to store milk. The intent in establishing the Redevelopment Agency (RDA) was to offset the substantial costs of demolishing and cleaning up the former dairy manufacturing plant to enable new development. Ultimately much of the land was purchased by the city for expansion of the cemetery instead of private development. As Ms. Moore noted, there has not been much need for RDA involvement and spending as a result. Some development has occurred like the Salt Lake County Health Department building, but they did not require increment assistance in the area. The only project that he recalls needing increment assistance was to extend sewer lines for a strip mall development.

Chair Dominguez asked someone to confirm that, in general, they want to avoid putting in something like a cemetery in RDA areas because it doesn't generate income.

Ms. Moore said you generally want the RDA to spur additional property tax through housing or to clean up a piece of property, put an office building or put hospital. The goal is to spur economic development, low-income housing, or business.

Chair Dominguez thanked Ms. Moore for her presentation.

PROJECT UPDATES

Project Updates - Phil Markham Presenting

Mr. Markham stated that the final draft report of the Downtown Strategic Plan was received. After staff review, it will go through the approval process of the MCCD committee, then to the Planning Commission, and lastly to City Council, likely taking until spring. Mr. Markham believed they would be very pleased with the study, which incorporated substantial public and staff input. A new contract was being worked on with NeighborWorks, anticipated in the next month, without issues expected. NeighborWorks was also asked for recommendations on property maintenance contractors, especially for the urgently needed work on the historic Townsend House. NeighborWorks' experience would help find qualified contractors for these types of homes. Consultations began regarding a proposed historic plaza concept including the mansion, Townsend House, and Cahoon House. The goal was to get a high-level sense for feasibility, potential costs, and amenities. Local consultants that have worked on projects in Ogden and Salt Lake City with relevant experience were contacted, and they may also reach out to a national firm. For the Chapel, surveying and engineering work was underway to define parcel boundaries in preparation for a potential future sale. This was expected to take another six weeks. Currently 75 people were enrolled in the MTAP transit subsidy program. They were waiting for additional cards to distribute as interest remained strong.

Board Member Dominguez thanked Mr. Markham for his presentation.

ADJOURNMENT

Chair Dominguez adjourned the meeting at 6:13 p.m.



Philip J. Markham, Director
Community & Economic Development Department