

The Redevelopment Agency (RDA) of Murray City met on Tuesday, August 13th, 2024, at 4:30 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

Pam Cotter, Vice Chair
Paul Pickett
Diane Turner
Adam Hock

Others in Attendance

Doug Hill, Mayor's Office
GL Critchfield, City Attorney
Brooke Smith, City Recorder
Phil Markham, CED Director
Brenda Moore, Finance Department
Craig Burnett, Police Department
Russ Kakala, Public Works
Joey Mittelman, Fire Department
Rob White, IT Department
Zachary Smallwood, CED Department
David Rodgers, CED Department
Elvon Farrell, CED Department
Orden Yost, Colliers
Adam Davis, Rockworth
Serra Nemelka, Rockworth
Anthony Semone, NeighborWorks
Anny Sooksri, Tea Rose Diner
Jeffrey Kelsch, Tea Rose Diner
Brandon Rappleye, Historic Murray First Foundation
Members of the public, per sign-in sheet

Excused:

Rosalba Dominguez, Chair

CALL MEETING TO ORDER

Vice Chair Cotter called the meeting to order at 4:30 p.m.

APPROVAL OF MINUTES

Board Member Hock made a motion to approve the minutes for July 16th, 2024, with corrections noted.

Board Member Turner seconded. Roll call vote:

Y Pam Cotter
Y Adam Hock
Y Paul Pickett
Y Diane Turner

Motion passed 4-0.

CITIZEN COMMENTS

Vice Chair Cotter opened the public comment period for the meeting.

Brandon Rappleye, president of Historic Murray First Foundation spoke regarding the purchase of the downtown property. He stated that he feels it's important to ensure a fair market value for the property. He said that he feels Rockworth could be an excellent partner in preserving and integrating the historic buildings into a revitalized downtown Murray. He said that the foundation has some fun things that they're doing on the board. They're looking for people to join the board. He asked for those who are interested to reach out to him.

Zachary Smallwood read an email sent from Samuel Bennett regarding the Murray Transportation Assistance Program (MTAP). He listed several benefits of the program to encourage board members to continue its funding. He said that he and his wife rely heavily on the program and encouraged the board to keep it going.

Vice Chair Cotter closed the public comment period.

ACTION ITEM(S)

Consideration of a resolution approving an agreement between the redevelopment agency of Murray City and Salt Lake Neighborhood Housing Services dba Neighborworks Salt Lake for a contribution of funds to be used for down payment assistance and home improvement loans for qualifying households – Elvon Farrell presenting

Elvon Farrell spoke regarding the contract with NeighborWorks Salt Lake to provide down payment assistance and home improvement loans for those locating to Murray. He said they've run out of funds to continue the programs. He said staff is recommending that the board provide \$400,000, specifically identifying \$200,000 for the down payment assistance and \$200,000 for the home improvement loans.

Vice Chair Cotter asked Mr. Farrell to describe what the home improvement program is.

Mr. Farrell said that it's a program for Murray residents to make improvements to their houses that are specifically for health and safety. He said that there are plenty of funds available from tax increments. The \$400,000 represents a small portion of what's available. These funds are specifically from funds designed for low-income housing programs.

Board Member Hock made a motion to approve the agreement between the Redevelopment Agency of Murray City and Salt Lake Neighborhood Housing Services (DBA NeighborWorks Salt Lake) for a contribution of funds to be used for down payment assistance and home improvement loans for qualifying households.

Paul Pickett seconded. Roll Call Vote:

Y Pam Cotter

Y Adam Hock

Y Paul Pickett

Y Diane Turner

Motion passes 4-0.

Consideration of a request by Anny Sooksri to purchase the property located at 4889 South Hanauer Street, also known as the Chapel Property – Phil Markham presenting

Phil Markham spoke regarding the sale of the chapel. He told the board that they have the option of selling the property to preferred clients at a price that they are satisfied with. He said they don't have to take the highest and best offer. Knowing that the Tea Rose diner would be demolished as part of the Block One development, he said that staff approached the owner, Annie Sooksri to ask if she was interested in purchasing the chapel. She submitted an offer of \$100,000 for the parcel and that building. He said the building is completely gutted. Ms. Sooksri has received estimates that it will cost upwards of \$500,000 to prepare the building to become a restaurant. He said this is a significant investment in addition to the initial cost of the property to make it a viable business. He feels that the retention of Tea Rose diner is an important step in revitalizing the neighborhood. He said staff had an appraisal of the property, and it appraised for \$575,000. He said it's up to the board to decide to accept or reject Ms. Sooksri's offer.

Ms. Sooksri spoke about her desire to purchase the chapel. She expressed the challenges of purchasing the property and then converting it into a restaurant, which reflects her offer. She said that she'd love to stay in Murray and create a welcoming space for customers.

Mr. Markham said that if the board votes to accept the offer, that authorizes Mr. Critchfield to draw up a sales agreement. He said that in the agreement there will be numerous stipulations concerning the character of the chapel.

The board members and Mr. Critchfield had a discussion regarding what would happen if Ms. Sooksri was not able to invest in the property or if she decided to sell it for a profit. Mr. Critchfield said they can include a Right of First Refusal clause or some other restriction to keep that from happening. The agreement would require her to develop the property by a specific date or sell the chapel back to the city.

Board Member Hock asked if there's been other interest in purchasing the chapel. Mr. Markham said a church group has shown interest, but that use would not fit with the mission of the Redevelopment Agency, being that it's non-profit.

The board members and Mr. Markham discussed the logistics of the property, such as the size and parking. Mr. Markham confirmed that this offer does not include the adjacent parcel.

Mr. Smallwood reassured the board members that this offer will still have to conform to the standards of the zone requirements at the time of application.

Vice Chair Cotter stated that the chapel, in its current state, is only a shell. She acknowledged how much work will need to be put into it to make it viable and she understood the offer that was made by Ms. Sooksri reflects that. She feels that the restaurant will be beneficial to the plaza.

Board Member Pickett asked what would happen if Tea Rose didn't make this offer. Mr. Markham said that Orden Yost of Colliers has been contacted by other businesses, who would be allowed to make an offer.

Board Member Pickett made a motion to accept the proposed offer for the property known as the chapel and authorize the RDA staff with a purchase agreement to be reviewed by the board at a future date.

Board Member Turner seconded. Roll Call Vote:

Y Pam Cotter

Y Paul Pickett

N Diane Turner

N Adam Hock

Mr. Markham said that, since the motion has failed, he will contact Orden Yost to market the property.

Consideration of a resolution authorizing an exclusive right to negotiate for the acquisition and development of the property owned by the Redevelopment Agency of Murray City at approximately 4800 South Street and State Street, ("block one") Murray City, Salt Lake County, Utah – G.L. Critchfield presenting

GL Critchfield presented this resolution to authorize the RDA, the executive director, the mayor, and staff, to negotiate exclusively with Rockworth Companies to sell and develop Block One. This will allow Rockworth to move forward with their work to pursue this project and purchase the property. This allows Murray City to focus on a development agreement with Rockworth.

Board Member Pickett and Mr. Critchfield discussed why Rockworth was chosen, and that the RDA does not have to engage in a bidding process before making that decision.

Board Member Pickett asked if there's a guarantee they are getting market value. Mr. Critchfield said that the city will probably end up with something of greater value in terms of how it will benefit the area because it will stimulate growth.

Mr. Critchfield reminded the board that this is the beginning phase of this process. He said this request is just to negotiate with the Rockworth exclusively. The agreement of exclusiveness would expire in one year if a development agreement is not finalized.

Board Member Turner made a motion to adopt a resolution authorizing an exclusive right to negotiate for the acquisition and development of the property owned by the Redevelopment Agency of Murray City at approximately 4800 South Street and State Street.

Paul Pickett seconded. Roll Call Vote:

Y Pam Cotter

Y Adam Hock

Y Paul Pickett

Y Diane Turner

DISCUSSION ITEM(S)

Review of the Employee Down Payment Assistance Pilot Program approved by the RDA Board – Elvon Farrell & Zachary Smallwood presenting

Mr. Farrell provide a review of the Employee Down Payment Assistance Program. He said it's a program that was set up last year with NeighborWorks Salt Lake. He said it's like the traditional down payment assistance program, but these funds were set aside specifically for Murray City employees. He said it's been a year since the pilot was initiated. He mentioned that it's challenging to qualify for the program once spouses' incomes are included in the calculation of household income. This often puts employees over the 120% threshold. He said that there have been two employees apply for the program, but they didn't qualify with spousal income included.

Mr. Smallwood said the board is permitted to expand the program to other public entities that work in the community. That could include adding school district or state employees, keeping in mind that the home must be purchased in Murray. He said that the funds are going unused and that expanding the program could be helpful. He said they would need to draft a new resolution to make those changes. He said the board has three options: (1) keep the resolution as it is and revisit at a future time; (2) open the program up to select groups of public employees; or (3) open it up to all public employees.

The board and Mr. Smallwood discussed the median income requirements and if they are feasible. Board Member Picket asked if families could qualify for a mortgage.

Tony Semone of NeighborWorks said that it is hard for families to qualify for mortgages with the current interest rates. Housing prices are also a challenge. He said that most families can only qualify for \$350,000 to \$400,000, which could allow them to get a condo or townhome. He also said that this program is only for first-time home buyers.

Mr. Semone said the general down payment assistance program is well utilized, but the one for employees is not. The challenge with that is the spousal income being included.

Mr. Smallwood reminded the board that if they don't follow the guidelines for moderate income housing of the General Plan they can be fined by the state.

The board discussed the merits of including additional public entities and felt confident in opening it up to school district employees. Board Member Turner asked staff if they felt that they had enough guidance to move forward. Staff indicated that they did and will come back with additional information at a later date.

Review of the Murray Transportation Assistance Program (MTAP) pilot program approved by the RDA board – Phil Markham presenting

Mr. Markham said that the MTAP program has been running for about a year. He said it's been very successful, with nearly 90 participants. He provided an overview of the program qualifications and

permitted uses of the funds. He explained how much money has been spent to date to fund the program. He said that he and Mr. Critchfield have had several discussions regarding whether low-income funds can be used in this way. They concluded that this is not the intent for these funds. He said that if the board wishes to continue to fund the program, they will have to look to the city's general funds. The program will be suspended at the end of August until alternate funding can be found. He said the board would have to work with Brenda Moore to find sources.

Mr. Critchfield added that it is considered a questionable use of the city's general funds.

Mr. Smallwood encouraged the board to talk to state legislators about expanding the use of housing set aside funds to include the use of funds for transportation.

The board members expressed their disappointment in the termination of the program, as they know there are people who need it.

PROJECT UPDATE(S)

There were no additional updates for this meeting.

ANNOUNCEMENTS

There were no announcements during this meeting.

ADJOURNMENT

Vice Chair Cotter adjourned the meeting at 5:28 p.m.



Philip J. Markham, Director
Community & Economic Development Department