

**MURRAY CITY MUNICIPAL COUNCIL
COMMITTEE OF THE WHOLE**

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, November 18, 2008, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

Krista Dunn	Council Chairman
Jeff Dredge	Council Member
Jim Brass	Council Member
Patricia W. Griffiths	Council Member

Members Excused:

Robert D. Robertson	Council Member
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Others in Attendance:

Daniel Snarr	Mayor
Frank Nakamura	City Attorney
Michael D. Wagstaff	Council Executive Director
Janet M. Lopez	Council Administrative Secretary
Jan Wells	Mayor's Chief of Staff
Jim Matsumori	Financial Advisor
Maria Villaseñor	Salt Lake Tribune
Erin McShay	Valley Journals
Bill Finch	Citizen
Tim Tingey	Community & Econ. Development Director
Ray Christensen	Community & Econ. Development
Chad Wilkinson	Community & Econ. Development
Pete Fondaco	Police Chief
Blaine Haacke	Power General Manager
Pat Wilson	Finance Director

Chairman Dunn called the meeting to order at 5:34 p.m. and welcomed those in attendance. Ms. Dunn excused Robbie Robertson for illness.

Approval of Minutes

Ms. Dunn asked for a motion on the minutes from the Neighborhood Meeting held on September 30, 2008. Mr. Brass moved approval as written. Mr. Dredge seconded the motion and

pedestrians to get around without too long a walk to get home or to work.

When these areas are overlaid together, you can see the regions that would be appropriate to designate as mixed use. The department also considered where Murray would have the most potential for success for a City initiated zone change. It is felt that there are some great opportunities in these identified areas.

The department recommendations are:

- The City should focus mixed use efforts on a central mixed use zone area centered on the vicinity surrounding the Trax and future FrontRunner Stations and adjacent to the historic downtown.
- The City should create transitional areas to encourage compatible design in adjoining M-G-C (manufacturing general conditional) zones.
- The City should support owner initiated zone changes to mixed use in the transitional area.

Mr. Wilkinson showed on a map the areas that are recommended for the City to adopt as a mixed use zone. The center region is being called the mixed use central zone. The map shows the existing Trax station and then there is the potential light rail station to the north. This has been suggested as part of the downtown study. These tie together along with the historic district.

For the immediately surrounding areas, the M-G (manufacturing general) transitional designation is being suggested and some interim standards would be adopted to insure that any new development would be compatible in the future mixed use development.

Mr. Wilkinson displayed maps to show the area in more detail and with the overlay of the existing mixed use zones. There would be some properties within the area that would require a general plan designation change.

Mr. Christensen addressed some of the concerns with the existing mixed use ordinance as follows:

- Current limits on residential development may discourage high quality, pedestrian oriented residential developments.
- There are no limits on the size of commercial developments. Large auto-dependant uses such as big-box retailers are currently permitted. This may not be compatible with the transit oriented development.
- Limits on number of employees for trade uses may be difficult to enforce. Currently there is a limit of six employees.
- Current limits of 2500 square feet on trade use may discourage operation of existing and new businesses.

- A large number of businesses would become a legal non-conforming status. This might create problems over time.

Some of the recommendations for changes to the existing ordinance were described by Mr. Christensen as:

- Provide incentives for developers willing to meet M-U standards.
 - ▶ Allow for administrative review of developments that meet M-U standards.
 - ▶ Provide administrative review for certain M-U residential projects.
 - ▶ Allow for live-work units.
 - ▶ Require conditional use permits for industrial uses and auto-oriented uses.
- Change residential limits to ground floor square footage only.
 - ▶ Current City ordinance limits residential to 75% of gross building square footage.
 - ▶ Change the maximum of 25% of ground floor square footage for residential uses and allow for a multi story residential with ground floor commercial without limiting residential density on upper floors.
- Include design standards for developments to promote compact pedestrian friendly development.
 - ▶ Limit retail to *neighborhood* size (i.e., >40,000 square feet).
 - ▶ Consider allowing additional square footage when minimum *floor area ratio* (FAR) is met.
 - ▶ FAR is the square footage of the building divided by the square footage of the property. A 10,000 square foot building on a 20,000 square foot property equals a FAR of .5. (No exact ratio has been developed, however, it is a consideration.)
- Modify standards to allow for continued operation of existing industrial type uses while transitioning to mixed use.
 - ▶ Remove limits based on number of employees.
 - ▶ Increase the square footage above the 2,500 square feet for trade type uses.
 - ▶ Create a “transitional zone” to allow for transition to M-U, initiated by the property owner, if application for the zoning change is applied for.

Mr. Christensen summarized the proposed changes to the ordinance as follows:

- ◆ Limit residential to 25% ground floor area.
- ◆ Limit retail to 40,000 square feet unless minimum FAR is met.
- ◆ Provide for standards to allow for existing industrial to transition to mixed use.

- ◆ Remove limits on number of employees and square footage for trade type uses.
- ◆ Provide for administrative review of developments which meet standards and include a mix of residential and commercial.

The staff recommends that the radius outlined on the slide, which includes the Trax and FrontRunner stations, be developed as the mixed use area to begin, and as utilization progresses then expand out to the transitional regions, by either property owners application or initiated by the City in the future.

Ms. Dunn asked what the distinguishing differences are between this proposed mixed use zone and a transit oriented development (TOD) zone.

Mr. Tingey responded that much of this mixed use zone proposal is to encourage development that is not currently contained in the mixed use zone elements. The TOD ordinance contains the combination of residential and commercial elements that is not currently in the mixed use, without the need to obtain a conditional use permit. The staff felt that by modifying the restrictions it would allow for more of the pedestrian oriented use, similar to a TOD.

Ms. Dunn asked if two different zones would be necessary.

Mr. Tingey confirmed that, in his opinion, two zones are needed. This is focused on the transit areas, however, to the north and south there is a more traditional mixed use zone.

Mr. Dredge asked if he is recommending going back to the master plan and removing some of the pockets, like the one on 5300 South, or should the City leave things as they are, but, focus on the areas described.

Mr. Tingey said that in the general plan he is proposing this central area to be the focus for mixed use and the surrounding areas should be transitional. These other pockets can be evaluated when the general plan is amended in the future.

Ms. Dunn commented that the proposal would not prohibit the City from going in that direction, however, the focus would be on the area newly identified as mixed use.

Mr. Tingey added that if there is a developer who wants to build a mixed use project in those areas, it would probably be recommended for approval.

Mr. Dredge asked if there would be some height requirements in the mixed use zone. Near the radiology building there was concern that an office complex could be constructed with no buffer for the neighborhood, therefore, if left as mixed use, he asked if someone would be allowed to build a high rise building that overlooked the residential homes.

Mr. Tingey stated that it would be considered by staff on a case by case basis, using the transitional area to buffer. The elements under consideration have not been fully analyzed, the department is not ready for immediate utilization, and other elements will be contemplated. It is the hope to have a good ordinance that will address buffering, among other things.

Ms. Dunn inquired if some of the future mixed use areas could be of differing types of mixed use.

Mr. Christensen responded that the residential neighborhood business (R-N-B) is a mixed use zone and is a different category than this that is being described now. That one does have the height limitations of 20 to 30 feet.

Mr. Tingey pointed out that beyond the R-N-B and this mixed use proposal there would be no other mixed use designations. If someone does want to develop on 5300 South, then they would have to request a change in the general plan to facilitate that to mixed use. It would be considered and probably recommended for approved.

Mr. Christensen added that there is one property in that area that is zoned R-N-B.

Mr. Dredge said that is a dentist office and, further, he expressed his concern that controls be in place for neighborhood buffer areas, so the door is not opened for large buildings that the City would not want.

Mr. Tingey appreciated that input and will make sure that the City will be protected against that happening.

Mr. Brass related that when the master plan was developed and approved, it was recommended that the M-G-C zone be eliminated because it was undefined and no replacement was selected. It was called M-U with the decision to define that later. It was understood that depending on what part of town the M-U was in would determine the elements. The R-N-B zone was the first redefinition of a section for mixed use, therefore, some areas abutting a residential neighborhood might be better to go R-N-B. If the City is going to look at changing the master plan then he feels it is important to look at where the R-N-B zone is appropriate now and eliminate the "catchall." If there are only one or two types of M-U, then the R-N-B needs to fit in other areas where it is appropriate.

Mr. Dredge confirmed that if the zones are going to be redefined then it is appropriate to look at all the locations for definition.

Ms. Dunn observed that if these areas in the proposal today are going to be M-U that helps define what the others may be.

Ms. Griffiths asked about the general office areas.

Mr. Tingey said that it is getting to be time to look at those areas and reevaluate the general plan. It is five years old and typically within five to seven years there will be some necessary modifications. That will be coming up soon. He said that it may be taken on a chapter by chapter approach, rather than an entire new plan. In summary, the staff is looking that the central area and transition areas for the core designated mixed use areas as identified in the general plan.

There is a time frame outlined as follows:

- January-February, 2009 - Public open house and stakeholder meetings for the M-U zone change in the central core area.
- February-March, 2009 - Planning commission hearing for central M-U zone change.
- March-April, 2009 - City Council hearing for the M-U zone change.
- February-March, 2009 - Public stakeholder meetings for mixed use text amendment.
- March-April, 2009 - Planning commission hearing for M-U text change.
- April-May, 2009 - City Council hearing for M-U text amendment.
- June-July, 2009 - Public stakeholder meetings for Manufacturing General Transitional (M-G-T) zone.
- July-August, 2009 - Planning commission hearing for M-G-T zone change and text amendments.
- August-September, 2009 - City Council hearing for M-G-T zone change and text amendments.

Mr. Tingey advised that this is the tentative schedule and he feels the importance of following up right away with the text amendments. He stated that the department has much work to do to have this proposal completed by late summer. He commended Mr. Christensen and Mr. Wilkinson for their research and efforts thus far and added that they are both excellent planners whom we are fortunate to have in Murray.

Intermountain Medical Center Revenue Bonds: Jim Matsumori

Mr. Matsumori reminded the Council that in 2005, the City, on behalf of Intermountain Health Care, issued bonds to finance capital projects, a portion of which was to use for the Intermountain Medical Center (IMC) project. The City was a conduit issuer, however, none of the City's revenues or taxes were used or pledged for repayment. Intermountain Health Care (IHC) is solely responsible for repayment of the principal and interest. Because the City is the issuer, whenever there is a proposed change to the structure or to the documents the City needs to consider adopting a resolution approving those changes.

Different from the City bonds, with a 15 or 20-year fixed rate, these bonds are remarketed or resold every week. By so doing, they are able to obtain very low interest rates, for example, right now the weekly rate is 1.14%.

In order to back stop, in the event a buyer cannot be found every time the bond is remarketed, there is what is called a liquidity buyer, or a stand-by purchase bank. This bank stands by and buys the bonds if they cannot be remarketed. This has occurred throughout the country several weeks this year.

Mr. Matsumori explained that Citibank has provided the liquidity for two of the four issues of bonds. They are now getting out of this business and this necessitates the change. Yesterday, it was announced that Citibank is laying off another 53,000 workers. They sent notification a couple of months ago that they do not want to be the liquidity bank any longer, however, there are several banks who do want to. Northern Trust and Wells Fargo would like to and have entered into tentative agreements to serve as liquidity providers on these remaining bonds.

In addition, as long as this change is being made, IHC decided it would like to also have the option to market these bonds on a daily basis. Even though the weekly rate is 1.14%, the daily rate is less than 1%, so they would like to enact that adjustment. The current remarketing agent, Citicorp, does not remarket bonds on a daily basis, so they must be replaced, as well.

The resolution that the Council is being asked to consider tonight does three things: (1) It approves changes to the indenturer, replacing the liquidity banks. Citibank is being replaced with Northern Trust and Wells Fargo. (2) It also asks that the time period for notice be waived, changing the method for determining interest rates, from weekly to daily. (3) The resolution asks that the City waive the time period of notice to change the remarketing agent, from Citicorp to Wells Fargo and JPMorgan.

Mr. Matsumori pointed out that this resolution in no way affects the role of the City and will hopefully result in lower cost financing. He stated that this does require a lot of different documents and Mr. Nakamura has been so kind to prepare them. All the Council needs to do is adopt the resolution addressing the three changes and then sign an acknowledgment that the City has been notified by Citibank of their decision not to operate as the liquidity bank any longer.

Next Tuesday, as the documents are finalized, Mr. Matsumori will ask the City to be a party to a signatory on these documents. There are about seven documents. Mr. Matsumori thinks it can be accomplished in about 30 minutes and will require signatures of the Mayor and Carol Heales.

The City is the issuer of the bonds, which is the reason for the action that is being requested, reported Mr. Matsumori.

Ms. Dunn thanked Mr. Matsumori for his clear explanation of the resolution and accompanying documents.

Staff Report: Mike Wagstaff

Mr. Wagstaff distributed an updated calendar of events and noted that the Murray Journal Update article is due from Ms. Griffiths.

Adjournment

There being no remaining business, Ms. Dunn adjourned the meeting at 6:05 p.m.

Janet M. Lopez
Administrative Secretary