

Minutes of the Design Review Committee meeting held on April 13, 2017, at 5:30 p.m. in the Murray Public Services Building Conference Room, 4646 South 500 West, Murray, Utah.

Present: Ned Hacker, Chair
Fredy Pimentel, Committee Member
Jay Bollwinkle, Committee Member
Jared Hall, Community Development Supervisor
Jim McNulty, Development Services Manager
Stan Hoffman, Dakota Pacific Real Estate Partners
Peter Carlston, Dakota Pacific Real Estate Partners

Excused: C.J. Culp
Ray Black

Mr. Hacker welcomed all to the meeting.

1. APPROVAL OF MINUTES

Mr. Hacker asked for approval of minutes from March 23, 2017. Mr. Bollwinkle made a motion to revisit the minutes with the requested changes previously submitted. Seconded by Mr. Pimentel.

The minutes were approved unanimously (3-0).

2. BOARD REPORTS

There were no board reports.

3. TEXT AMENDMENT – MCCD, Demolitions of Historically Significant Buildings – Project # 17-39

Jared Hall reviewed the proposed Ordinance Text Amendment and issues submitted by Stan Hoffman in regards to the request for consideration of a proposal to amend the text of certain portions of Chapter 17.170 of the Land Use Code. The proposed text amendments are related to requirements for proposals involving the demolition of historically significant buildings. Mr. Hall reviewed the Ordinance changes by stating the current definitions, the proposed changes of the definitions presented in the March 23, 2017 meeting, along with the newest proposed changes since March 23, 2017.

Mr. Hall stated that no changes were made to the Master Development Plan based on the importance of providing a method of phasing which alleviates some of the requirements of ground floor commercial and commercial requirements that are associated with the demolitions. The city is still comfortable with the proposed one hundred and ten (110%) percent requirement.

Jared Hall recapped the previous proposed changes from the April 23, 2017 MCCD meeting and the recent proposed changes.

Part 1, 17.170.040, Master Development Plan, did not have any new changes since the March 23, 2017 meeting.

Part 2, 17.170.070-E, (5)(a-f), lists the requirements that must be found by the City to approve a Certificate of Appropriateness to allow the demolition of a historically significant building.

The change to item b, adds the term, phasing, which enables us to facilitate some horizontal mixed use as opposed to having all the commercial underneath the building. Another change allows the financing guarantee of one hundred twenty-five percent (125%) to be reduced to one hundred-ten percent (110%).

The change to item e, is relative to the required twenty-five percent (25%) commercial requirements on each additional floor above the ground floor when a historic structure is demolished. This change allows the twenty five percent (25%) requirement to be located in any of the additional future phases.

The change to item c, 1120, 1130, and 1150, are references to the term, Residential Building, which is used to support item Q and R was explained by Mr. Hall. He read the new proposed text changes item q, and explained that residential buildings that do not front principal streets are not bound by this requirement as they can use additional phase to meet the commercial requirements.

Mr. Hacker asked if a building happens to sit on two street frontages would the ten percent requirement for commercial increase. Mr. Hall answered yes, it would be calculated at ten percent of each building frontage facing each principal street.

Mr. Hall stated there have not been any new changes to item r since the March 23, 2017 meeting.

Mr. Hall directed the conversation to the memo regarding the JR Miller issues and proposed ordinance language.

Mr. Hall read item 1, and explained the Master Development Plan, Phasing and Bonding are essential to ensure a project with adequate value is constructed in a timely manner. The City is less comfortable with the covenant verses the bonding as it removes some of the immediacy. The covenant provides for the idea of the land being bound to development with the recreation of relevant historical elements but, it falls short in the area of timeliness to develop these structures.

Mr. Hall read item 2, and explained the City does not accept Sureties in lieu of bonds; however, letters of credit and cash escrows can be accepted. The City has reduced the amount of bonding needed by limiting the bonding to only the buildings that would cause the demolition of historically significant structures, not the entire project.

Mr. Hall read item 3, and explained the proposal does give the RDA the right to buy back the property but does not provide the appropriate assurance that the project replacing the historic structure moves forward in a timely manner, which is the intended goal. The difference in cost would be the difference between regular construction and construction that would involve the demolition of historic buildings which, is significantly less.

Mr. Bollwinkle asked if the intent is to only recreate significantly historic buildings. Mr. Hall answered the Master Development Plan would give the option to build a structure that would instead add features that call back the historic elements. Mr. Hall added that he as well as others feel more comfortable with adding historic elements to buildings rather putting up a fake façade of what used to be there.

Mr. Hall read item 4, and explained the proposed covenant is not inappropriate, but is insufficient as it would burden the land until such a time as the project is constructed.

Mr. Hall directs the conversation to the portion of the memo that address the JR Miller's proposed ordinance language.

Mr. Hall read item 1, and explained the principal street language is to address the need for commercial on the ground floor.

Mr. Pimentel asked if Murray City is mainly interested in preserving the historically significant buildings. Mr. Hall answered that we are allowing some historically significant building to be demolished and are interested in preserving some of the buildings or the heritage of them in the new buildings that take their place. Mr. Pimentel suggested the city increase the strength of the text to highlight the intent to preserve the buildings foremost because if we continue in the pattern of demolition Murray will not have any Historic buildings left. Mr. Hall stated the city is willing to consider demolition in favor of new development. The importance of the texts in subsection 5 of 17.170.070 specifically outline the requirements for demolishing historically significant buildings and that is why the City wants to uphold the proposed texts as it makes the process less risky. The city feels the changes that JR Miller propose are much too risky.

Mr. Hall read item 2, and explained the bond that is anticipated to accompany the covenant would be equal to the difference between normal construction and construction that would provide the façade requirements.

The hypothetically question was asked if the façade on State Street were to be torn down the bonding would equal to the new facades that adorn the buildings. Mr. Hall stated yes, and stated if the cost to build a building is two million dollars and the historic facades are two hundred and fifty thousand extra then, they bond on two million and fifty thousand dollars. This full cost would cover the city in the case the developer fails, we can move forward still. Again, this is only on the buildings that require the demolitions of historically significant. The use of the smaller proposed bond does not give the same insurance that the Master Development Plan does in respect to timing and expiration. It also allows an infinite extension that the city would not want allow in bonding.

Mr. Hall read item 3, and explained the city would not be interested in holding the bond that would give an additional two year extension after the developer already failed. The City would also not accept a written notice of market changes to extend a bond.

Mr. Hall read item 5, and explained that the proposed text is inferior to the text of the Master Development Plan and improvement bond which deals with the smaller bonds and timing issues.

Mr. Hall summarized by stating the city is willing to allow the demolitions of historically significant structures, only for exceptional development that contributes to the vision of Murray's downtown as a special place in own right. The proposed City text provides us the bonding and assurances that would allow us to replace the historically significant building with something of value for our city. The city is proposing the change allowing the lobby and leasing offices on main floors as opposed to strictly nonresidential development. The city feels that the initial proposal that was made by the city previously is the viable direction we would like to pursue.

Mr. Hall stated the proposed text amendment would be more appropriate to have a recommendation of approval from Staff as well as the DRC, as they deal with this chapter the most.

Mr. Hall listed the proposed finding stating, 1, Historic buildings provide a sense of place in the MCCD zone and projects requiring there demolitions should be required to meet additional standards in order to mitigate the impact to the sense of place and historic fabric. 2. Amendments to the text of the MCCD zone regarding the demolition of historic structures are advisable in order to better facilitate redevelopment without compromising the purpose of the zone.

Based on the analysis and reviews presented in this and previous reports, staff recommend that the MCCD Design Review Committee forward a recommendation to approve the proposed Text Amendments to the Chapter 17.170 regarding the demolition of historically significant buildings in the MCCD zone to the Murray City Planning Commission.

Upon request Mr. Hall read item 4, and explained this proposal is insufficient as the covenant will not ensure timely implementation of the portion of the planned development that will replace the lost historically significant buildings.

Mr. Hall read item 5, and explained the City has not proposed bonding be based on fully executing construction documents and civil plans, instead we could bond based on good concept drawings.

Mr. Hall read item 6, and explained the city's proposed language can also accommodate those needs.

Mr. Hall read item 6, and explained there is inherent risk associated with development. The City would like to address this risk by asking for phasing and bonding. He stated this is a standard requirement, but is a bit more stringently here due to the added element of demolishing historically significant buildings that can't be replaced.

Mr. Hoffman stated that he and his colleagues have worked through all the concerns using the city ordinance to find resolutions. He further stated he understands the importance of Text Amendments, but feels the current ordinance places barriers on the future development of this project.

Mr. Hoffman stated the key issues he has found with the zoning ordinance. Ground floor in multifamily project uses, the limitation on the square footage of street frontage that

can be committed to the marketing amenity and operational class of multifamily project is limited to 10%, ground floor upper level commercial requirements, requirements for 110% of the lower level and 25% of the upper levels and the fiscal impacts.

Mr. Hoffman stated that the lenders and leasing financiers have given feedback based on the site as a mixed used project on 42,000 square foot footprint, and based on the proposed ordinance that would require the creation of 85,000 square feet of commercial.

Mr. Hoffman reviewed the frontage issue and explained based on a \$40 million dollar building that would only allow 10% frontage for marketing is too low. This would not support a "class A" apartment building because they have evolved over the years and they need a lot of amenities. Mr. Hoffman stated he does not think this will work and has spoken to others who lease and develop and they agree. It would be better to have commercial on only the frontage because it works here and no other places such as future phases off the street. They wish to have a larger street frontage off the street to meet the requirements for commercial as this attracts occupants.

Mr. Hoffman stated the issue relative to commercial on the Harker site is that we are not allowed to have commercial frontage on State Street as we planned. We believe in the concepts as stated by Jeff Niece. Mr. Hoffman gave copies of his presentation to those in attendance. The presentation included many ideas and concepts for possible future consideration.

Mr. Bollwinkle made a motion to move forward with the Text Amendment as presented by staff.

Seconded by Mr. Pimentel

A Mr. Hacker

A Mr. Pimentel

A Mr. Bollwinkle

Motion passed, 3-0.

4. Items from Staff

No additional items from staff.

Meeting adjourned.



Jared Hall
Community Development Division Supervisor