



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, April 21st, 2015, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Council Members in Attendance:

Blair Camp, Chair	Council Member, District #2
Diane Turner, Vice-Chair	Council Member, District #4
Dave Nicponski	Council Member, District #1
Jim Brass	Council Member, District #3
Brett Hales	Council Member, District #5

Others in Attendance:

Ted Eyre	Mayor	Janet Towers	Exec. Asst. to the Mayor
Janet M. Lopez	Council Administrator	Tim Tingey	ADS Director
Jennifer Kennedy	Recorder	Jared Hall	CED Division Manager
Jan Wells	Chief Administrative Officer	Kellie Challburg	Council Office
Jennifer Brass	Resident	Trong Le	IT Technician
George Katz	Resident	Sally Hoffelmeyer-Katz	Resident
Doug Hill	Public Services Director	Brian Shiozawa	Senator
Joe Geroux	Security National	David Stewart	Lobbyist
Pete Busche	Lobbyist	Kory Holdaway	Lobbyist

Chairman Camp called the Committee of the Whole meeting to order and welcomed those in attendance.

Approval of Minutes

Chairman Camp asked for approval on both the minutes from the Council Retreat on February 17, 2015, and the Council Initiative Workshop on March 3rd, 2015. Mr. Hales moved approval. Ms. Turner seconded the motion. All were in favor.

Business Item #1

National League of Cities Conference Report- Diane Turner and Jim Brass.

Ms. Turner stated that she and Mr. Brass attended the National League of Cities and Towns Conference in Washington, D.C.

They had the opportunity to attend some of the pre-conference classes and believes those classes far out-shined the others. The first class was called Economic Development, Innovation and Community Marketing, which seemed to be perfect for the upcoming downtown development. She stated that she has the presentation from the class, which is over 700 pages, so she would make it available to view for anyone that wanted.

Mr. Brass said he liked it because it approached economic development from a different point of view, and was very similar to what Murray wants to accomplish in the downtown area. The class discussed future workforces and attracting workers. Murray has three significant hospitals in Murray: TOSH, IMC and the Moran Eye Center. Ultimately, those hospitals need to be staffed with workers. He said the new workforce would be comprised of "millenials." Millenials are the up and coming generation of workers that are not as concerned about where the job is, as what the area is like they are going to live in. They want an interesting place to live, with gathering places, open spaces and trails, and the ability to get high-speed internet. It is becoming as critical to attract the workers, as the businesses themselves.

He stated that in the General Plan Steering Committee they were trying to attract office space. He said after listening to this presentation, he believes the downtown area needs more restaurants, pubs, and places for people to gather. He added that it was a great presentation and included a lot of helpful resources. He commented that this year's conference was much better than the one he attended last year.

Ms. Turner stated that if the downtown area has interesting things to offer, financial incentives would not be needed because people would come. She mentioned "branding", or giving an identity to the City. Mr. Brass said while "branding" was discussed, it is also important to give the City a sense of identity and a reason for people to come.

Ms. Turner said she also attended environmental classes, listened to the female Police Chief from Washington D.C. speak at a women's luncheon, and saw President Obama speak. President Obama stated that the local officials are important and are where "the rubber meets the road." President Obama gave Mayor Becker, the President of the National League a hug. Mr. Brass commented that all the cabinet members spoke. He especially enjoyed listening to the Dept. of Labor Chairperson who mentioned many grants and resources for young people to find jobs.

Ms. Turner added that she enjoyed the networking aspect and met interesting people from other states with interesting issues.

Mr. Camp commented that there was a similar message on economic development in the Utah League meetings regarding incentives. The speaker's expertise was bringing businesses into communities. He stated that he wasn't big on incentives and developers know whether or not they can make a profit, and if the project is viable then incentives aren't needed.

Chairman Camp thanked them for the presentation and attending the conference. Mr. Brass thanked him for the opportunity to attend.

Business Item #2

**Legislative Session Update- David Stewart,
Kory Holdaway and Pete Busche**

Mr. Stewart said there were several items that dominated the legislature this year, including transportation funding. The ominous transportation bill, HB 362, tried to address some of the unfunded transportation needs across the state. The Senate wanted a ten cent gas tax and the House didn't want to do anything initially, but a compromise was reached at the end.

The final result was a conversion of the gas tax at the state level to a percentage, in an attempt to capture future growth. Nearly 40% of the buying power has been lost over the last twenty years because the gas tax has remained stagnant, he noted. In the gas tax conversion, approximately a nickel was factored in for local jurisdictions to share in 30% of that increase in revenue, through the B&C formula. This tax would go into effect the beginning of next year, and Murray City would start to see money in March or April of 2016. The amount would be approximately \$266,000 to Murray.

The second component of the bill dealt with the .25% local option sales tax increase. Initially, ULCT was pushing for a full quarter of a cent, but one of the mandates from leadership was that all of the stakeholders be part of the solution. The quarter of the cent was divided up with ten cents going to cities across the state, ten cents going to the transit districts, mostly UTA, and then five cents going to counties. It is a local option that has to be voter approved in the November election. He believes Salt Lake County is trying to get this on the ballot this year. The State likely would reach out to the cities and the county to pass resolutions exhibiting support for the need for the transportation quarter. In Salt Lake County, the amount equals \$54 million, and \$1.2 million to Murray. Mr. Holdaway asked if counties were allowed to put it on the ballot in future years as well. Mr. Stewart replied that there wasn't a stipulation as to what year it goes on the ballot. He added that most people anticipated it would be on the ballot next year, and then a few asked if it could be on this year's ballot. The answer was that it could be on the ballot this year or subsequent years.

Mr. Stewart added that each county that passes this, the city portion would go into a pool with the other cities and then be split out on the 50/50 formula. They debated a split on the B&C formula, which would have cities \$5 million to \$6 million per year. The League and others pushed back, saying that the split didn't make sense. Eventually, a deal was struck keeping it on the 50/50 split. He added that this bill would be the biggest thing in several years as far as transportation funding goes.

Mr. Holdaway added that the .10% for the cities, .10% for UTA, and the .05% for the counties will be a challenge and take some leadership and marketing to get voter approval in November. He noted that there is a property tax increase also coming this year; it was referred to as the Osmond bill, and is a \$75 million property tax increase to hit the citizens. He said that the City will get complaints about the hike in property tax, and may not want to support the additional transportation funding increase of .25%. He believes marketing is important to get this transportation bill to pass at the ballot. Mr. Nicponski asked how that was accomplished and if ULCT would raise money through communication firms and who would benefit. He added that road construction firms may want to contribute funds. Mr. Stewart added that the Chamber could be helpful also. Mr.

Holdaway added that the Transportation Coalition was already working on the issue. Mr. Stewart agreed and said that polling citizens and other efforts have already begun. He said once it becomes official it would be unlawful for UTA, cities or counties to advocate for a tax increase with tax dollars. The coalition which is made up of transportation companies and businesses in the community views infrastructure as economic development and have significant resources available to help. The quicker it gets on the books, the better for the county, he added.

Mr. Stewart stated that the property tax increase that Mr. Holdaway mentioned, plus this bill which could be \$200 million, combined with a few others equal over a \$300 million tax increase for the year. This would all happen in a year that had a \$700 million surplus, plus the \$300 million, equaling a total of \$1 billion new dollars, he commented. He is concerned that if this doesn't pass, the legislature would repeal the local option, and appear to have cut taxes by \$200 million.

Ms. Turner asked if the property tax increase was earmarked. Mr. Holdaway replied that it was earmarked for education. Mr. Holdaway commented that for ten years the legislature had been trying to equalize property taxes across the different school districts. The bill could never pass, but Senator Osmond recognized that and his bill basically held harmless all of the districts. Mr. Stewart said the amount each district would receive would vary, and he didn't know how much Murray would receive. Ms. Towers commented that Dr. Hirase, Murray School Superintendent, stated that Murray District would not receive any money. Mr. Stewart said the big winners would be Alpine and Park City School Districts, which are seeing a lot of new enrollment.

Mr. Nicponski asked if the Salt Lake Chamber was taking the lead on the local option bill with the transportation committee. Mr. Holdaway replied that was correct but it would be a good idea to contact the local chambers also. Mr. Stewart said the legislature added language regarding the "maintenance of effort." It basically stated that whatever cities were currently spending on transportation, would need to continue, and not use this new money towards that. This money needs to go towards infrastructure, or active transportation, such as bike paths, etc. He added that the County would like to get it funded this year, because next year they would be possibly issuing a GO (General Obligation) or a ZAP (Zoo, Arts, and Park) bond.

Ms. Wells commented that there were some tools in the bill on the "maintenance of effort" issue, that if the funds are in a Capital Improvement Fund that is separate from the General Fund. She added that it was limited to five years also. She noted that she feels Murray has those tools in place.

Mayor Eyre stated that he understands the gasoline tax doesn't stay at the point of sale, but rather goes into a county pool. He asked if the pool took in the four other counties involved, or is it just within Salt Lake County. Mr. Stewart clarified that he was speaking about the local option tax, rather than the gasoline tax and it would be split on the 50/50 formula within the four counties that passed it. The other counties that have not passed it would not receive any funds. He said he believes Salt Lake County has the best chance of passing it this year.

Chairman Camp asked if that meant Salt Lake County was more likely to put it on the ballot or to actually pass it. Mr. Stewart replied probably both.

Chairman Camp noted that he believes the UTA component is going to be the most challenging part for the citizens to pass. Citizens see the need for roads and are willing to vote for it, but the UTA portion is more difficult, he noted. Mr. Nicponski said that challenge needs to be overcome, because there isn't another option. Mr. Stewart agreed that UTA has some detractors, but UTA is more well-liked in Salt Lake County than counties farther north or south. He added that this year would be a contested race for Salt Lake Mayor, and will draw more voters out, most likely more than the southern part of the county. Generally speaking, Salt Lake City is comprised of transit supporters, he noted. Next year, with a broader election, it may be more difficult to get the support.

This would be the fourth local option quarter that has been authorized and has always passed in Salt Lake County by healthy margins, he added. People have recognized the need to support general transportation at the ballot box. The biggest key is communicating to the citizens that they would see a change and get something for the increase. Residents should be able to see nagging problems fixed, asphalt overlays, and some street repairs done. Mr. Holdaway said the Council and Mayor needs to focus on the .10% for the City and show the value that provides. There may be additional value and services received from UTA. Mr. Stewart said it would be a good idea to contact UTA and get an understanding of where this money would be used, such as increased bus service, etc.

Mr. Hales commented that he had heard from Mr. Zollinger that Salt Lake County wasn't going to put it on the ballot this year. Mr. Stewart replied that was interesting and he hadn't heard that, but does believe the cities may need to mildly push the County to get it on there. Mr. Holdaway remarked that Salt Lake City should also be pushing the County to get it on the ballot.

Mr. Nicponski noted that the best argument he had heard in support of UTA, is that "it gets the other guy off the road."

Mayor Eyre noted that he had heard the polls were about 49/49 on the issue and believes it is a great indicator and a positive sign. The City now has the opportunity to raise that even higher. Mr. Stewart agreed and said the private sector can help drive the point.

Mr. Stewart mentioned HB 420 that deals with transportation. That bill is also called the Johnny Anderson/Wayne Harper bill. It is extremely complicated, but the State captures a piece of the quarter of the quarter and prioritizes it at the State level. The requirement is that County dollars have to be spent on roads in Salt Lake County. It also broadens the definition to allow the money to be spent on active transportation. It sent a direct appropriation from the TIF (Transportation Investment Fund) of \$25 million to the County to be paid back over time. There is roughly \$1.5 million allocated for Murray. He understands that the primary targets in Murray for the funds is the \$315,000 needed to finish a project, plus \$1.2 million in east/west overlays. He said they are still waiting for the numbers to finalize so the timing is unknown. He added that if the quarter of a cent is approved, it could change priorities. He is planning on meeting with Mayor McAdams for more information at the end of this month, and will keep Murray informed. He said UDOT had some concerns with other cities spending the money on things they were not supposed to. These funds are to be a reimbursement for a project and requires proof of where the money was spent.

Mr. Stewart stated that there was a bill dealing with sales tax on vehicles that would have really crippled Murray. He worked with Mr. Holdaway and others and that bill was defeated. Mr. Holdaway noted that he doesn't believe the issue is dead and there will be similar bills in the future. He said with the auto dealers in Murray, this bill was a huge red flag for them. It was basically the Ivory bill and had the sales tax following the address of the buyer. He doesn't believe the legislature is excited about the concept, but that they are interested in exploring the idea of Representative Jim Nielsen, and his attempts in re-evaluating the funding of services through sales tax. Mr. Holdaway said he believes if Representative Ivory brings this bill again, he would be guided into looking at a bigger picture, which could be both positive and negative. Mr. Nicponski asked what the dynamic was between the legislators, Ivory and Nielsen, and if they were trying to get car dealerships in their respected cities. Mr. Stewart said it is basically both of them feeling like they haven't benefitted from big ticket sales. Mr. Holdaway noted that if it was just West Jordan, it might not be that big of a deal, but other cities are joining in. Mr. Stewart said the sales tax distribution is continually up for debate and the Ivory bill is pushing it forward. He said currently it is the point of sale and population for measurement, and people are wondering if there should be a third component. He added that ULCT will be a large part of this issue. Mr. Stewart said a different bill passed, but would not have any effect on Murray.

Mayor Eyre stated that he spoke with two local auto dealerships on the impact of this bill, and it really doesn't impact the dealerships much, whether the sales tax stays in the City or goes with the buyer; but the dealership owners are aware that the health of their dealerships depends on the health of the City. They know that if the City is affected, then the dealerships would be affected also. The City would have less funds for infrastructure, public safety, and public services and this would ultimately affect them. The Mayor said it was neat to see the dealerships want to protect the City.

Mr. Brass added that the last time sales tax was tweaked, the City raised property taxes by 41% and didn't break even. It is a huge impact for Murray City, he noted. The League watches over 200 cities, only 12 of which have a large sales tax base. Murray needs to be proactive and protect itself. He said there are not many options for the City to raise the funds they receive from sales tax revenue, especially with the fact that Murray has over 30% of its properties owned by non-profit companies or government entities.

Mr. Stewart said there was a GRAMA (Government Records Access and Management Act) records bill, Senate Bill 157. The initial bill took away jurisdictions ability to adjudicate the GRAMA records and appeals. The League has been working on this also, and there would most likely be changes to City ordinances. The result was the ability for cities to create a new local appeals board. It is certainly better than what the bill first proposed, he added.

He said air quality was fairly quiet this year, due to the mild temperatures. A wood banning bill passed stating the State couldn't ban wood burning for the entire season at a time, but could still ban it on certain days, and created a study for more efficient wood burning pellets.

He added that Medicaid expansion is still being discussed. At the end of the session, a resolution passed stating that after the ruling by the Supreme Court, there would be more discussion and decisions made.

Senator Shiozawa spoke up to clarify the issue. He said he would meet with the secretary and the Speaker next week and see what waivers were available for Healthy Utah. There would be a special session dedicated to Medicaid expansion. He said it would be a big deal for any City with a large medical center, such as IMC. It gives the potential of federal dollars being used to create jobs and help citizens. He said a solution was really close right at the end of the session. He added that this was an interesting year, and next year you probably won't see issues with the gas tax, and the property tax adjustments for the schools. He said there may be a market fairness act next year.

Mr. Stewart noted that if he was a betting man, he believes the bill would be tweaked but still similar to what is currently proposed. Mr. Holdaway said he believes the public supports Senator Shiozawa's bill. Senator Shiozawa commented that Murray has great representation on the hill and he enjoys seeing Murray City officials on the hill and that it was an honor working with Murray. He would like even more direction on how Murray and its citizens can be helped the most, and not get bowled over. He commented that City support really helped on the 4500 South issue, to ensure that things that are unacceptable to the City do not happen. He thanked everyone for the opportunity he has to represent Murray. Mr. Nicponski remarked that Senator Shiozawa is very accessible and effective, and his involvement in the 4500 South issue was herculean. Mr. Stewart added that Murray was very fortunate to have a strong Senator with strong allies in the Senate Republican Caucus. Senator Shiozawa has been a great champion for Murray.

Chairman Camp thanked everyone for their comments.

Business Item #3

**Right of Way Configuration 5300 South
360 West- Tim Tingey**

Mr. Tingey wanted to discuss the Security National project that is moving forward with the Planning Commission. He wanted to point out some of the elements in the area, related to the right of way.

The Security National project is on the north side of 5300 South, directly west of I-15. There was a re-zone done several months ago, and a multi-phased project of hundreds of thousands square feet of office space is planned.

He introduced Jared Hall, CED Division Manager, and also Joe Geroux, the project architect for Security National. Mr. Tingey pointed out the location on the map near the Pavilion Inn.

Originally, there were issues related to right of way. UDOT owns a piece of property involved in the right of way. Initially, there were conversations of UDOT deeding the property to the City and the Council would then vacate the right of way.

Mr. Geroux showed the master plan for the campus, approximately one million square feet of office space with three supporting parking structures. In order to accomplish this plan, some of the existing roadwork and parcel pieces need to be cleaned up.

UDOT has identified the parcel as surplus land that they do not want to own and maintain. Therefore, UDOT agreed to quit claim deed the land to Security National and in the reporting of the new subdivision plat, the new road alignment would be dedicated

to Murray City. Also, a new portion of land on 5300 South would be dedicated to UDOT for their long term transportation plans.

Mr. Tingey clarified that originally the Council needed to surplus the property. Although things since changed, that is no longer necessary, but he still wanted the Council to understand the transaction. This is a large scale project with a lot of traffic implications, he added. The Planning Commission will consider the road configuration for their recommendation. Chairman Camp asked if the UDOT property was the current road alignment. Mr. Geroux replied that was correct and it was just too difficult to make it work with any long-term development there. It is a remnant parcel and is best to get it cleaned up, he added.

Mr. Nicponski asked the name of the street. Mr. Geroux replied it actually had two names, Green Street and Pinemont. Mr. Hall commented that Security National would actually dedicate a lot more roads in the future than currently exist. The realignment shown here is only the first phase of this multi-phased project.

Mr. Geroux remarked that this project is a dense, mixed-use office and retail development and will be an active, great place to work. He noted that construction can't begin until this swapping process is completed. The conditional use permit will be considered by the Planning Commission on May 7, 2015, and then come back for the subdivision process once this issue is addressed.

Mayor Eyre asked how many buildings are in the complex. Mr. Tingey replied that there would be six buildings. One is an eleven story building, and some six storied buildings, with parking structures.

Ms. Turner asked what Security National was. Mr. Geroux replied it was a large insurance and financial advising company. Mr. Hall added that Security National has employees all over the valley and they would be consolidated to this location. Chairman Camp asked if the property went right up to the Pavilion Hotel property. Mr. Geroux replied that was correct.

Chairman Camp thanked them for the information and adjourned the meeting.

Kellie Challburg
Council Office Administrator II