

**MINUTES OF THE
CITY OF HOLLADAY
CITY COUNCIL WORK MEETING**

**Thursday, April 14, 2022
6:00 p.m.
City Council Chambers**

ATTENDANCE:

Mayor Rob Dahle
Paul Fotheringham
Drew Quinn
Matt Durham
Ty Brewer
Dan Gibbons

City Staff:
Gina Chamness, City Manager
Stephanie Carlson, City Recorder
Holly Smith, Assistant City Manager
Jonathan Teerlink, Community Dev. Director
Jared Bunch, Public Services Director
Todd Godfrey, City Attorney

I. *Welcome* – Mayor Dahle.

Mayor Rob Dahle called the meeting to order at approximately 6:00 p.m.

II. *Pledge of Allegiance.*

Mayor Dahle led the Pledge of Allegiance.

III. *Public Comments.*

Steve Glaser - 2052 Arbor Lane. He felt betrayed by the transmission lines put in on Arbor and Memory Lanes. The steel poles are 50 to 60 feet tall and approximately 7.5 feet in circumference. Mr. Glaser stated that the poles are an eyesore. While they would be suitable for an industrial complex, it did not make sense for them to be on a residential street. The developer mentioned the poles in passing without expressly stating where they would be installed or how significant their appearance would be. He also felt betrayed by the City for permitting them. Different utility alignments were considered but those alignments were eliminated due to cost. If cost could be considered, neighborhood impacts should be as well. Mr. Glaser was concerned about noise, property values, and the safety of those with pacemakers. He attempted to reach out to the City about the other alignments considered but received no response. He noted that there is a provision in the Tree Ordinance allowing for permit decisions to be appealed. However, he was unable to make an intelligent appeal without knowing the basis for the issuance of the permit.

Camille Pierce - 2052 East Arbor Lane. She reported that in place of tall trees and bushes there were now tall, rusted poles. The poles sit on top of five-foot steel mesh cylinders in the ground. The poles destroyed the open views of the mountains along Arbor Lane. The vertically stacked high-voltage lines will further degrade views and the character of what was once a country-like neighborhood lane. Rocky Mountain Power had no reason to relocate the lines according to a Rocky Mountain Power representative. The developer chose the least expensive option of those he was given and the lines could have been buried. Ms. Pierce explained that she chose to bury lines on her property to prevent the loss of vegetation and impacts on trees. She spent nearly \$30,000 for that purpose. The developer could have done the same thing but chose not to. One of the poles was on the bank of Big Cottonwood

Creek. There was a benefit to future residents at the expense of existing residents. She noted that the high-voltage lines hum and she expressed concerns about long-term exposure. Ms. Pierce asked that Council Members walk along Arbor Lane to see what had happened in the area. It was now more industrial than residential.

Trudy Jorgensen-Price shared updates related to the Holladay Library. She reported that outside storytime is taking place and there is a new program for children aged six through 10 called STEAM Punks, which includes science, technology, engineering, art, and math activities. The Library would also partner with the Tree Committee and there will be a booth at the Arbor Day Celebration on April 29, 2022. Ms. Jorgensen-Price stated that there is a program on square foot gardening on April 30, 2022, at 11:30 a.m. She reported that the Library building originally opened in May 1972 and a 50th anniversary party was scheduled for May 21, 2022. She invited those present to attend.

Jud Clawson - 1979 E Olympus Point Dr. He asked that new development requires power lines to be buried whenever possible. It was disturbing that there are large power lines when residents want to see views of the mountains. He hoped the City Council would consider the comments made during the meeting and try to improve the beauty of the community.

Michelle Clawson agreed with the previous comments about power lines. She lives on Olympus Point Drive but is building a home off of Arbor Lane. Her family waited 10 years to build their home. It had been something they dreamed about for many years but were questioning that now that there are massive, rusted poles in the neighborhood. She did not understand how the request was approved by the City Council and why the lines were not buried. The power lines had degraded the property values as well as the viewshed. She was extremely disappointed.

IV. *Public Hearing on Proposed Rezone for Property Located at 2225 East Murray Holladay Road from RM to PO (“Professional Office”) (Amend the Zone Map from Residential Multi-Family Zone (“RM”) to the Professional Office Zone (“PO”) for an Existing Office Building on Approximately 0.89 Acres of Property.)*

Community Development Director, Jonathan Teerlink presented the Staff Report. A few years ago, the City Council created a new Professional Office (“PO”) Zone. The PO Zone expanded the types of tenants permitted and the allowed uses. When the zone was adopted, the Council requested that each property owner come forward and request the rezone. The Planning Commission made a recommendation to approve the zone change from RM to PO for the existing office building.

Council Member Gibbons asked if the rezone would permit retail. Mr. Teerlink clarified that no retail is permitted in the PO Zone. Council Member Fotheringham noted that the General Plan in the area calls for non-retail uses. As a result, the application made sense. Mayor Dahle believed the application meets the intent of the PO Zone. Mr. Teerlink reported that comments were submitted via email at the Planning Commission level expressing concerns about removing the building and constructing a new one. However, the building standards are the same between the RM and PO Zones. The applicant also had no interest in constructing a new building. Mayor Dahle noted that a letter from the applicant was included in the packet.

Mayor Dahle opened the public hearing. There were no comments. The public hearing was closed.

V. *Public Hearing on the (A) Issuance and Sale of Not More than \$19,000,000 Aggregate Principal Amount of Sales Tax Revenue Bonds and (B) Any Potential Economic Impact that the Public Infrastructure to be Financed with the Proceeds of the Bonds May Have on the Private Sector; and Related Matters. (Hearing on Bond to Finance the Costs of Road Improvements, Storm Water System Improvements, Physical Facility Improvements, and Other Related Improvements.)*

City Manager, Gina Chamness reported that at the March 17, 2022, City Council Meeting, the Council approved a Parameters Resolution for no more than \$19 million for a series of roadway, physical facility, and stormwater improvements in the City. State law requires there to be a public hearing so members of the public can express views related to the potential bond.

Mayor Dahle opened the public hearing. There were no comments. The public hearing was closed.

VI. *City Manager Report – Gina Chamness.*

Ms. Chamness had nothing to report.

VII. *Council Reports and District Issues.*

Council Member Brewer reported that he attended the UPD training. It was educational and he appreciates the resources UPD brings to the City. He also attended the Community Council Meetings for Cottonwood Elementary and Olympus High Schools. There was a great deal of concern about the boundary alignment issue. Council Member Brewer noted that he heard from other residents about the power line issue, which was mentioned during the public comment period. It was a challenging situation and he felt it would be beneficial for the Council Members to walk the neighborhood to better understand the concerns.

The Council discussed the power lines. Mayor Dahle did not believe the City has a lot of latitude in terms of what is required. It was more of an issue between Rocky Mountain Power and the developer. City Attorney, Todd Godfrey noted that there was a substantial and significant difference between burying distribution lines and burying transmission lines. The transmission lines would be on the poles in question. Those lines were set up much higher and require larger poles. Due to the nature of the lines, the cost to bury them is exponentially more than to bury a traditional distribution line. Land use requirements to bury transmission lines are not valid. There is one mechanism to require them to be buried, which was an assessment area, where all of the surrounding property owners would be taxed for the purpose of burying the lines. Mr. Godfrey hoped that over the years as the vegetation matures, the poles and lines will not be as burdensome. The City cannot dictate to the developer where the poles can be located inside the development.

Council Member Quinn reported that she attended a meeting with constituents and City Staff the previous day. She explained that 1 ½ years ago, an email was received from a constituent about a strip of unclaimed land that he believed the City should maintain. All of the interested parties gathered and the constituent and two of her neighbors received direction to resolve the issue. Council Member Quinn hoped the property would be transferred appropriately. She was grateful for all of the assistance from City Staff. Additionally, she attended the Community Council Meeting for Morningside Elementary and Churchill Junior High Schools. The boundary issue was discussed at both meetings.

Council Member Gibbons reported that he attended a meeting of the Salt Lake County Council as a representative of the Wasatch Front Waste and Recycling District. The Council voted to approve the conversion of the district to a local district. The attorney for the district was preparing the paperwork and that would be filed shortly and the Wasatch Front Waste and Recycling District would soon become a local district instead of an Administrative Control Board with representatives from the participating cities and townships. It would be governed by a Board of Trustees. He explained that there would be no change in operations. Council Member Gibbons reported that he recently visited the Arbor Lane area. It was shocking to hear that the power poles went in so quickly. He was sympathetic to the neighbors and was frustrated that there was little the City could do.

Council Member Durham reported that the Arbor Day Celebration was to take place on April 29 at 1:00 p.m. at Olympus Junior High School. He believed it would be a wonderful event and noted that a lot had been done to involve the community. He received feedback from constituents about stormwater issues on Holladay Boulevard. Council Member Durham explained that he would follow up with City Staff on those issues.

Mayor Dahle reported that an Open House was held at Olympus High School on April 18 at 7:00 p.m. He was unable to attend but encouraged interested Council Members to be. He reported that the Unified Fire Authority (“UFA”) forwarded its recommendation to the Finance Committee. The recommendation was for a 7% Cost-of-Living-Adjustment (“COLA”), which would include a 7.5% member fee increase. Mayor Dahle clarified that it would be closer to 5% for the City of Holladay. There was also a recent meeting with the UPD and an additional meeting was to take place on April 17. He hoped they would have a better idea of the necessary adjustments at that time.

VIII. *Recess City Council in a Work Meeting.*

Council Member Fotheringham moved to recess the Holladay City Council Meeting and reconvene in a Work Meeting. Council Member Quinn seconded the motion. The motion passed with the unanimous consent of the Council.

a. *Discussion on Previous Public Hearings.*

Council Member Gibbons felt that the property was a prime candidate for a rezone under the PO Zone created in 2018. He was supportive of the rezone application. Council Member Fotheringham and Mayor Dahle agreed and felt it was a straightforward application.

b. *Bond Project Update.*

Ms. Chamness reported that there was information in the packet related to various General Fund, Stormwater, and other projects. There was also a map illustrating the proposed roadway improvements. The City originally anticipated that \$8 million would be spent as part of the General Fund portion of the bond. However, those estimates were slightly higher than the project costs. The first three phases went out to bid and were anticipated to be \$1 million under what was planned for. Some of the Phase Three overlay work was split out to become Phase Four due to water main replacements that needed to be done first by Salt Lake City Public Utilities. The delayed work was to be done next summer instead.

Ms. Chamness stated that the Council could reduce the overall amount of the bond by \$1 million based on those saving amounts. Alternatively, the City could continue to bond for the anticipated amount and move other planned projects forward. She reported that \$6.2 million of the original

\$8 million was for General Fund projects. There were a few other projects totaling \$1.8 million. For instance, a Terrace, City Hall Building ADA Accessibility, Crosswalk Upgrades, and Bridge Repair Projects. If the Council's direction was to not proceed with the Terrace Project, there were other potential projects that could be completed instead such as a City Hall carpet, paint, and furniture refresh or City Hall parking lot improvements and repaving. She invited feedback from the Council.

Mayor Dahle asked if additional overlay work could be done. Ms. Chamness did not believe the City would want to do additional overlay work in such a short period of time. She explained that there was a desire to stagger the work based on the road quality index. Phases One, Two, and Three would be during the current year. Mayor Dahle noted that if the \$1 million was retained, additional work could be done next year. He noted that the City has three years to spend the bond proceeds. Ms. Chamness confirmed this but was not sure there would be the same need for roadways next year. All of the worst-case roads would be addressed in the current year.

Mayor Dahle wondered if the Council wanted to use that money for future projects or bond for \$18 million. Council Member Fotheringham inquired about the Pavement Quality Index. He questioned whether the data was current. Public Services Director, Jared Bunch reported that Salt Lake County prepared a Pavement Index five years ago and two years ago. The City relied on both indexes. There would likely be another Pavement Quality Index done in 2023. The City could assess specific roads between those times as well if needed. However, the City was confident in the Pavement Quality Index work done by Salt Lake County.

Council Member Brewer noted that whenever surveys are sent out, residents feel that the biggest needs are roads, sidewalks, and storm drains. He asked to what extent the planned work would satisfy residents. The planned work would make up for some deferred maintenance. Mr. Bunch stated that it would cover approximately 15% of the road surface. Annual programs would continue to ensure that the roads do not approach a failing state.

There was discussion regarding whether to take a lesser amount on the bond. Council Member Gibbons believed there would be roads requiring work in the next year or two in different parts of the City. He felt it may be worthwhile to use that money next year. Ms. Chamness stated that Staff would need to look at the CIP list and move some projects forward. Overlay work was the most expensive to be done in the City and the bond tried to capture roads that would likely fail within five years. Council Member Gibbons suggested taking the full amount of the bond to have that money address outstanding projects the following year.

Council Member Fotheringham liked the idea of having a \$1 million buffer as there may be additional infrastructure needs to address. Mayor Dahle did not want to take the maximum amount just because it was possible to do so but understood that there would be other important road projects in the next two years. It was determined that the Council would bond for the originally anticipated amount.

The Council discussed the Terrace Project. Mayor Dahle explained that it would expand the area south of the Big Cottonwood Room. There had been debate about the project in the past and he had not been supportive of the concept. His concern was that it may not be used often. Additionally, he believed there may be better ways to use the \$525,000. Council Member Fotheringham believed there were higher priorities. Council Members Brewer and Quinn agreed. The Council Members were also concerned that the Terrace would reduce the number of parking spots. Ms. Chamness asked

if the Council wanted to reduce the overall bond amount by \$525,000 or substitute it with a different project. The Council felt it was appropriate to make a substitution.

Ms. Chamness overviewed the stormwater projects and explained that they would have a greater lifespan. Approximately \$10 million was identified for stormwater projects. The list included many projects that had been discussed previously, including problematic areas on Cottonwood Lane and several areas in Districts 3 and 5. She reported that there was a \$3 million project listed for District 3. The City could begin work knowing that additional bonding would be needed to complete the project. Alternatively, the Council could budget enough Fund Balance. The other option was to postpone consideration of that project to a later date. Doing so would reduce the amount of the bond on the stormwater side. She asked for direction from the Council.

Council Member Fotheringham felt that type of project was the reason it was beneficial to have flexibility with the bond amount. Roads are more predictable than stormwater projects. A significant amount of the contingency funds would likely be spent on stormwater-related items. Ms. Chamness noted that \$1.5 million of the projects on the list were not identified in the first or second iteration of the Capital Improvement Program (“CIP”) and came to light as a result of the August 2021 storm. Council Member Durham asked about restrictions on the funds. Ms. Chamness explained that there would be a few restrictions. Some roadway funds could be used for stormwater but due to the way the bond would be structured there would be a shorter timeline for the roadway projects with a shorter lifespan and a longer timeline for stormwater projects with a longer lifespan. Revenue from Stormwater Fees would be used to repay the stormwater portion over a 15 to 20-year time period. The roadway piece would take less than 10 years.

Ms. Chamness believed the Council's direction was to proceed with the full bond amount. This was confirmed. There was a discussion regarding the map included in the packet. Mayor Dahle wondered if all of the projects were set. Mr. Bunch explained that there were unit prices for the work. The unit prices were based on specific streets. There was some flexibility as long as workers are on site. In the future, it was possible to tweak the project areas. Council Member Brewer asked what needed to happen for a stormwater project to make the list. Mr. Bunch explained that there were several criteria to consider.

c. *Orientation/Revisit SDMP and ADL for Holladay Hills.*

Ms. Chamness reported that a presentation was included in the packet for review. She overviewed some of the information with the Council. Tax increment financing (“TIF”) is a tool municipalities have to incentivize private development in cities. Those areas are called project areas. Once a project area is created, the Redevelopment Agency (“RDA”) that created the project area can decide how to receive the tax increment dollars and how the funds are spent. Tax increment dollars are defined as increment that is generated above a base. The RDA can then use the tax increment dollars to incentivize development within the project area. The intent is to increase property values and the total amount of property tax revenues generated. After the expiration of the tax increment collection period, the increment dollars flow back to the entities that granted permission for them to be used as increment.

One example was the Millrock Project Area. Ms. Chamness explained that it recently ended and the RDA and the City collected increment over a 15-year period. It included increment from the Granite School District, the City, and Salt Lake County. The idea was that development was created and new

property taxes were generated. For a period of time, those dollars could be used to incentivize development and fund public uses in those project areas. For instance, with Millrock, the funds were used for stormwater improvements and the purchase of land that became Knudson Park. State laws outlined what increment dollars could be used for. The law changes frequently and there would be a significant change related to project areas on May 5, 2022.

Ms. Chamness discussed tax increment in the City of Holladay. There are currently two active project areas consisting of the Cottonwood Mall Urban Renewal Project Area and Holladay Village. This tool is not frequently used in the City of Holladay when compared to other cities. It had been used strategically and sparingly. All of the project areas in the past had met the goals established for the project area. Ms. Chamness shared a timeline with background information on the Cottonwood Mall Urban Renewal Project Area.

The Taxing Entity Committee Resolution that allowed for the creation of the Cottonwood Mall Urban Renewal Project Area was overviewed. The Committee was comprised of representatives from the Granite School District, Salt Lake County, the State Board of Education, and one member who represented the smaller taxing entities. At that time, State Statute required that the Taxing Entity Committee approve a plan and budget for the project area. During the 2020 Legislative Session, the Legislature allowed a project area to be extended by two years due to COVID-19. The RDA Board chose to do that. While the project area was still triggered in 2017, the end date, which was planned for December 31, 2036, was extended to December 31, 2038. In 2008, the Taxing Entity Committee signed off on the idea of creating a project area with certain parameters, and the City Council and RDA Board entered into an Agreement for Development of Land (“ADL”).

Mr. Teerlink reviewed the Site Development Master Plan (“SDMP”) and explained that it was a requirement of the General Plan. The Regional Mixed-Use (R/M-U) Zone created sections, a vision statement, and purpose statement. It also included the scope of the development and minimum area requirements. It had a type of catalyst, which generated the requirement that the property could have multiple owners. However, in that zone, there were no regulations for height or setbacks. Those regulations and standards were directed by the SDMP. The Master Plan was created specifically to accommodate things like massing, height, densities, and parking requirements.

Mr. Teerlink reported that in the Cottonwood Mall Urban Renewal Project Area, Block D is currently under construction. Block E was recently approved by the Planning Commission. With Blocks D, E, and L, 431 units were approved. Mayor Dahle asked how minimums are ensured when a project is done in phases. Mr. Teerlink reported that there was phasing in the SDMP. There was flexibility for the applicant to address their needs based on market requirements. It is currently residential-heavy. Ultimately the residents will be able to support the upcoming commercial construction on the site. There was a discussion regarding the SDMP and how often the Council will see those applications. It was noted that the building in Block D was anticipated to be the tallest in the development. Blocks E and D were the most impactful sites in the entire development.

Mr. Godfrey reported that the ADL that was approved in 2008 did not look the same as the one that will be presented to the City Council for consideration at the next meeting. The developer has proposed some changes. Based on conversations with the attorney for the development team, there was a desire for more definition in some of the terms. The main development entity changed from Holladay Hills to KMW Development, LLC. Mr. Godfrey explained that the SDMP was not being

altered. The ADL was only changing to reflect technical terms. He reported that late last year it was discovered that the budget had a base tax year amount of \$34 million. When the property was assessed in 2008, the actual assessment number was \$41 million. However, the \$34 million number was used in 2011, 2018, 2019, and 2020. At that time, the developer realized that the base tax year was assessed at \$41, but the documents accounted for \$34 million. There were ongoing discussions with the County in that regard. The City of Holladay did not know what the resolution would be. The current version of the ADL specified that the base tax year value was \$34 million.

Additional changes to the ADL included a definition of tax increment. Some of the assignment provisions were changed to recognize more direct sales. Those changes were reflected in 4.1 (C), 4.2, 5.1, and 5.3. Council Member Gibbons asked for additional information about 4.2. He compared the original language to the newly proposed language and expressed concerns about the intent. Mr. Godfrey explained that the developer had concerns about the financing agreement running with the land and not with the obligations to comply with development running with the land. The revised language was intended to simplify the payment of increment. Further discussions were had about the revised language.

The developer suggested revisions to 6.2 to provide timeframes for reporting the receipt and payment of tax increment funds. Mr. Godfrey explained that there had been a lot of back and forth about that because some of the timelines were not possible. There had been some revisions to the provision but it still needed to be officially approved by the developer. However, it was informally agreed to at a recent meeting. Mr. Godfrey believed it was important for the City Council to understand the information about the affordable housing money and housing allocation money. Every project area is required to siphon off a portion of the increment for housing purposes. It was 20% in this project area. This would be discussed further at the next City Council Meeting.

- d. *Calendar.***
 - April 21 – Council Meeting – 6:00 p.m.*
 - April 23 – Salt Lake City Marathon*
 - April 29 – Arbor Day Celebration*
 - May 5, 12, and 19 – Council Meetings*

The calendar items were reviewed and discussed. Mayor Dahle reported that on April 21, 2022, there would be a pre-meeting and review ahead of the City Council Meeting at 5:00 p.m.

IX. *Closed Session Pursuant to Utah Code Section 52-4-204 and 205 to Discuss Personnel Issues, Potential Litigation, and Property Acquisition and Disposition (if needed).*

There was no Closed Session.

X. *Adjourn.*

Council Member Fotheringham moved to adjourn. Council Member Quinn seconded the motion. The motion passed with the unanimous consent of the Council.

The City Council Meeting adjourned at approximately 8:07 p.m.

I hereby certify that the foregoing represents a true, accurate, and complete record of the Holladay City Council Work Meeting held Thursday, April 14, 2022.

Stephanie N. Carlson, MMC
Holladay City Recorder

Robert Dahle, Mayor

Minutes approved: **May 5, 2022**