TO: Salt Lake City Council
    Stan Penfold, Chair

FROM: Mary Beth Thompson, Finance Director

SUBJECT: Public Benefits Analysis Re: Long-term land lease of vacant Salt Lake City
         Corporation property located at approximately 800 North 800 West to the Good Samaritan
         Foundation, Per the Requirements of Utah Code Section 10-8-2

SPONSOR: NA

STAFF CONTACT: Randy Hillier, Policy and Budget Analyst (801) 535-6606,
                Dan Rip, Property Manager (801) 535-6308 or Megan DePaulis, City
                Attorney (801) 535-7685

DOCUMENT TYPE: Public Benefits Analysis and Recommendation

RECOMMENDATION: The Administration recommends that a public hearing be held on the
                 matter of the Public Benefits Analysis of the long-term lease of vacant Salt Lake City
                 Corporation owned property located at approximately 800 North 800 West to the Good
                 Samaritan Foundation.

BUDGET IMPACT: NA

BACKGROUND/DISCUSSION:

The City Property located at 800 North and 800 West was once a part of the Utah Department
of Transportation’s (UDOT) right-of-way. This right-of-way was abandoned by UDOT during the
1999 reconstruction of I-15, and a portion of the street was deeded to the City. UDOT has since
created a terminating cul-de-sac at approximately 800 North that prevents future road use as a
thoroughfare. The property in question no longer serves any connective function, nor is there a
plan for the piece to be reincorporated into the City’s or UDOT’s street network. As a result, a
developable lot owned by the City was created, and has remained unused since that time.
A representative of the Good Samaritan Foundation approached the City in 2014 with a proposal to build an approximately 3,000 square foot building to be used as the Rose Park Neighborhood Center. Since then, a partnership with the University of Utah and accompanying funding has allowed the anticipated size of the proposed center to grow to 5,000 square feet. The Center is meant to help support the growing refugee population in this part of the Rose Park neighborhood, as well as to provide enhanced learning opportunities for residents. The Good Samaritan Foundation has experience building other refugee centers in the Salt Lake Valley that have provided tremendous community benefits. The proposed center will be the first of its kind within Salt Lake City limits.

The Administration is recommending that the City enter a long-term lease agreement with the Good Samaritan Foundation to lease the property for a fee of approximately $12 per year. To assure that such a lease agreement would be in compliance with Utah Code the attached study has been performed

Utah Code 10-8-2 (1) (a) (v) states that after first holding a public hearing, a municipal legislative body may authorize municipal services or other nonmonetary assistance to be provided to or waive fees required to be paid by a nonprofit entity, whether or not the municipality receives consideration in return.

While a study is not required under Utah Code 10-8-2 before the City can enter an agreement for a below market value lease, it is beneficial to consider whether such an agreement will meet the public benefit requirements under Utah Code 10-8-2.

The attached memo to Patrick Leary, Mayor’s Chief of Staff, outlines the public benefits identified by the Administration that the City will realize the long-term lease of the property at approximately 800 North 800 West to the Good Samaritan Foundation for the below-market rate of $12 per year.

PUBLIC PROCESS: Public Hearing
MEMORANDUM

TO: Patrick Leary  
   Chief of Staff

FROM: Randy Hillier

DATE: June 16, 2017

SUBJECT: Long-term land lease of vacant Salt Lake City Corporation property located at approximately 800 North 800 West to the Good Samaritan Foundation, Inc., a Utah nonprofit corporation, for $12 a year: Analysis to Comply with Utah Code Section 10-8-2.

It is recommended that Salt Lake City Corporation (City) enter into a thirty (30) year lease agreement to lease City property located at 800 North 800 West (City Property) to the Good Samaritan Foundation, Inc., a Utah nonprofit corporation (Good Samaritan) to develop an approximately 5,000 square foot refugee center for a fee of $12 a year. To assure that such a lease agreement would be in compliance with Utah Code, the following analysis has been performed.

Under Utah law, after first holding a public hearing, a municipality may “authorize municipal services or other nonmonetary assistance to be provided to . . . a nonprofit entity, whether or not the municipality receives consideration in return.” Utah Code § 10-8-2(1)(a)(v). Because Good Samaritan is a nonprofit entity, the City may waive the fees (or rental rates) it would ordinarily collect for use of the City property so long as the municipal legislative body holds a public hearing regarding the waiver.

A formal study is not required under Utah Code section 10-8-2(3)(e) for services or assistance provided to a nonprofit entity after public hearing. Utah Code § 10-8-2(2)(a). However, an informal analysis considering the same factors as a formal study is set forth below.

Utah Code section 10-8-2 outlines the purposes for which a municipal body may appropriate funds (or in this case, offer a nominal, below market rent for a 30-year lease) and the factors that must be considered in determining the propriety of such an appropriation. This analysis will consider the following factors:

(1) The specific benefits (including intangible benefits) to be received by the City in return for the arrangement;

(2) The City’s purpose in making the appropriation, including an analysis of how the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of the residents of Salt Lake City will be enhanced; and

(3) Whether the appropriation is “necessary and appropriate” to accomplish the reasonable goals and objectives of the City in the area of economic development, job
creation, affordable housing, blight elimination, resource center development, job preservation, the preservation of historic structures and property, and any other public purpose.

See Utah Code §10-8-2(2)(e).

Background

The City property located at 800 North and 800 West was once a part of the Utah Department of Transportation’s (UDOT) right-of-way. During the 1999 I-15 re-construction, the overpass located at 800 North was removed. When this part of the right-of-way was abandoned by UDOT, a portion of the street was deeded to the City. UDOT subsequently created a terminating cul-de-sac at approximately 800 North that prevents future road use as a thoroughfare. The property in question no longer serves any connective function, nor is there a plan for the piece to be reincorporated into the City’s or UDOT’s street network. As a result, a developable lot owned by the City was created, and has remained unused since that time.

In November of 2014, Tom Lloyd, on behalf of Good Samaritan, approached the City with a proposal to build an approximately 3,000 square foot building to be used as the Rose Park Neighborhood Center (Center) Since that time, a partnership with the University of Utah and accompanying funding has allowed the anticipated size of the proposed center to be increased to 5,000 square feet. The purpose of the Center is to help support the growing refugee population in this part of the Rose Park neighborhood, as well as to provide enhanced learning opportunities for residents. Mr. Lloyd has experience building other refugee centers in the Salt Lake Valley that have provided tremendous community benefits. The proposed center will be the first of its kind within Salt Lake City limits.

To prepare the site for development of such a neighborhood center, two actions were necessary: (1) closure of the exiting right-of-way; and (2) a text amendment to the RMF-35 zone so that the City Property would be zoned RMF-35, the same zoning of the land surrounding it. Both actions allow for a community center as a permitted use within the RMF-35 zone to be built on the recently closed portion of the right-of-way [see PLNPCM2015-00462 and 00775].

In June of 2016, petitions for both of the above-mentioned actions were presented to the City Council. The City Council granted both petitions. As a result, Community Recreation Centers were added as a conditional use within the RMF-35 zone. Any applicant applying for this conditional use will be subject to a higher degree of project-specific review to mitigate reasonably anticipated detrimental effects and externalities.

The Lease Agreement

Under the contemplated lease agreement (Lease) between the City and Good Samaritan, the City will maintain ownership of the land, and acquire ownership of the building, at no cost to the City, once it is built. While the Lease is in force, Good Samaritan will be responsible for the cost of maintenance and operation of the building. Good Samaritan will be allowed to utilize the building as the Rose Park Neighborhood Center until the Lease is abandoned or has expired at
the end of the 30-year term. At that time, the Lease may be renewed with the Good Samaritan Foundation or another nonprofit, the building may be repurposed for another City use, or the building and land may be sold. If sold, the proceeds would be utilized through the Surplus Property fund toward other applicable City property needs.

**Benefits and Costs to Salt Lake City**

Ordinarily, a lease for amounts less than fair market value would require a study to comply with Utah law. Here, since this “municipal services or other nonmonetary assistance to be provided . . . or waive[r] [of] fees” is to a nonprofit entity, a formal study in not required. Utah Code Ann. § 10-8-2(1)(a)(v), but a public hearing must first be held. To assist in the evaluation of the proposal to charge only a nominal lease fee of approximately $12 a year, the costs and benefits to the City are considered below.

The City property is a good fit for a use such as the Rose Park Community Center for a number of reasons. Primarily, there is an urgent need for this type of resource in that neighborhood to help address the needs of the growing refugee population. The City Property is relatively central to that neighborhood. Further, the property is currently unused, and requires City maintenance. This maintenance will no longer be required once the lease is established. Also, the construction of the Center would extend infrastructure into an otherwise vacant property. Finally, the City would gain an asset and maintain ownership of a facility that would likely continue to benefit that portion of the City.

Approximately 1,200 refugees are sent to Utah each year by the U.S. Department of State (State Department). Many of these refugees end up living within the borders of Salt Lake City. Although the State Department provides some temporary, minimal assistance as a “transition” and “integration” period for these refugees, it is not adequate to meet the needs of the majority of refugees. Further effort and resources are required to provide adequate housing, education, and employment.

There are approximately 60,000 refugees in Salt Lake County, and about 1,200 additional refugees are sent by the State Department to be relocated in Salt Lake County each year. Neighborhood centers are an efficient and effective means for providing services these refugees will need. Many of the refugee families need assistance in navigating areas such as how to use U.S. currency, understanding cultural differences, and challenges such as language barriers.

In addition to the services provided to the refugee population, the proposed Rose Park Neighborhood Center will provide essential services to individuals and families who live in the surrounding areas, whether they are refugees or not. The individuals and families living in the neighborhood will greatly benefit from having a center where they can learn new skills, engage their children and families, foster their community, and get connected to available resources.

Programs at the center will include:

- Community Capacity Building
- Citizenship programs
• Adult English Classes (ESL)
• Walk-in services such as help with reading mail, making phone calls, and connecting to resources
• Health clinics
• Parenting classes
• Workforce development
• Early childhood education (Pre-school)
• Youth afterschool programs including homework help, civic and social engagement, gang prevention, college and career preparation, life skills, art, and outdoor recreation
• Various other programs as need directs

In addition to the above-mentioned programs, the Good Samaritan Foundation is partnering with the University of Utah to expand the activities offered at the Rose Park Neighborhood Center. The U of U has agreed to contribute funding toward construction of the facility as well as to provide additional activities and classes in addition to the mix offered by Good Samaritan. The activities and classes offered by the U of U would vary from day to day and time of year, but would include:

• Adult/Continuing Education – professional development and computer skills
• Adult Education – Test of English as a Foreign Language (TOEFL) prep, academic advising and employment mentoring
• Early Childhood Education – Exploring the possibility of a demonstration/lab school for early childhood language acquisition

Partnering with the University of Utah will allow for an additional 2,000 square feet to be added to the facility. The U of U is currently in the process of acquiring funds to cover the cost of the additional square footage. This amount is yet to be determined.

Neighborhood centers, such as the proposed Rose Park Neighborhood Center, provide a gathering space and resources for all the residents of a neighborhood. The first Neighborhood Center developed by Good Samaritan was the Sunnyvale Neighborhood Center, located in South Salt Lake. Its success has been driven largely by the fact that it is located in the heart of where the people in need reside. The location of the City Property has similar characteristics to the Sunnyvale Center location, and the Good Samaritan Foundation plans to use Sunnyvale as a model to follow.

Services will be provided at no charge, and will be funded, or delivered through private foundations and partner organizations. Good Samaritan intends to obtain operations funding from numerous resources, including federal, state and private funding. Funding for the construction and first year of operation is listed in the table below.
<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
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<tr>
<td>Good Samaritan Foundation</td>
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<td>Utilities and Operations Costs</td>
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<tr>
<td>LDS Humanitarian Services</td>
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<td>Refugee Action Council</td>
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<td>Program Costs (to include staffing)</td>
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<tr>
<td>University of Utah</td>
<td>TBD**</td>
<td>Building Construction and Programming Costs (to include staffing)</td>
<td>Committed</td>
</tr>
</tbody>
</table>

*Third party provider based on operational needs
**The University has committed to fill the gap in funding needs once the full cost has been determined.

**Salt Lake City’s Purposes and Enhancing the Quality of Life for Residents:**

Through the services mentioned above, the Rose Park Neighborhood Center project aims to serve between 45-55 youth and 45-55 adults per day through education, civic and social engagement and employment readiness. By helping serve the needs of these individuals, it is anticipated that the impact to the City can be measured through improvement of youth grade point averages, reduction in area criminal activity, and new or increased employment of clients served by the project.

**Accomplishing Salt Lake City’s Goals:**

The construction and operation of this Center is in line with goals the Mayor’s Office of Diversity and Human Rights (ODHR). ODHR strongly believes that a community should make every effort to simplify the process of integration for newly arriving refugees or immigrants. There are currently substantial barriers that complicate this process for refugee and immigrant communities.

Since the project was proposed by the Good Samaritan Foundation leadership, it has received positive feedback and support from the Mayor’s Refugee Liaisons. The Administration recognizes the value this center will provide, not only to the refugee community, but the surrounding community as a whole.

Since 2012, the City has offered the Human Rights Education Project to contend with these barriers. The Human Rights Education Project provides workshops on the rights, responsibilities and resources available to the residents of Salt Lake City. The establishment of the Rose Park Neighborhood Center and the curriculum offered there will provide another resource toward accomplishing the goals of the ODHR and the City.
CONCLUSION:

The efforts of the Good Samaritan Foundation to construct and operate the Rose Park Neighborhood Center will be a benefit to residents of the City, and providing a low-cost lease for the property that has remained vacant for several years is an appropriate use of City resources to achieve the City’s “reasonable goals and objectives of the City in the area of economic development, job creation, affordable housing, blight elimination, resource center development, job preservation, the preservation of historic structures and property.” Utah Code §10-8-2(3)(e)(iii). Further, this project helps to achieve the City’s goal to simplify the process of integration for newly arrived refugees and immigrants.

REFERENCES
This analysis has been available in the City Recorder’s Office, Room 415, City & County Building, 451 South State Street since __________, 2017. The City Council will hold a public hearing on whether to adopt a resolution approving the proposed study. The public hearing will be held ________________.
RESOLUTION NO. _______ OF 2017

A Resolution Authorizing the Lease Rate and Term for the
Rose Park Community Center Located at 800 West and 800 North

WHEREAS, the Good Samaritan Foundation advances the goals of the City to assist refugees who are trying to establish residency within the United States as well as in Salt Lake City. The primary beneficiaries will be families who are in the need of basic resources that will enable them to learn about and experience the City’s culture, its commerce as well as basic support for obtaining permanent, independent living within surrounding neighborhoods. The City is willing to provide the Good Samaritan Foundation with nonmonetary assistance in the form of a lease rate for City property in the amount of $12.00 per year for a term of 30 years so long as the conditions of the lease between the Good Samaritan Foundation and the City are met (the “Nonmonetary Assistance”); and

WHEREAS, Utah Code Section 10-8-2(1)(a)(v) allows public entities to provide nonmonetary assistance and waive fees to and for nonprofit entities after a public hearing; and

WHEREAS, though Utah Code Section 10-8-2 does not require a study for such nonmonetary assistance, in this case the Finance Department voluntarily performed an analysis of the nonmonetary assistance to the nonprofit corporation (the “Analysis”); and

WHEREAS, the City Council has, following the giving of not less than fourteen (14) days public notice, conducted a public hearing relating to the foregoing, in satisfaction of the requirements of Utah Code Section 10-8-2; and

WHEREAS, the Council has reviewed the Analysis, and has fully considered the conclusions set forth therein, and all comments made during the public hearing;
THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

1. The City Council hereby adopts the conclusions set forth in the Analysis, and hereby finds and determines that, for all the reasons set forth in the Analysis, the Nonmonetary Assistance is appropriate under these circumstances.

Passed by the City Council of Salt Lake City, Utah, this _____ day of __________, 2017.

SALT LAKE CITY COUNCIL

By: __________________________
   CHAIRPERSON

ATTEST:

Salt Lake City Attorney’s Office
Approved As To Form
Date: 06/14/17
Megan J. DePaulis

CITY RECORDER

HB ATTY-#60239-v1-RESOLUTION_-_Public_Benefits_Analysis_(Rose_Park_Community_Center)