



CITY COUNCIL TRANSMITTAL


Patrick Leary, Chief of Staff

Date Received: April 6, 2017
Date sent to Council: April 7, 2017

TO: Salt Lake City Council
Stan Penfold, Chair

DATE: April 6, 2017

FROM: Mary Beth Thompson, Finance Director 

SUBJECT: Public Benefits Analysis Re: Waiver of Salt Lake City fees associated with the reconstruction of the Salt Lake County Health Department's Salt Lake City Public Health Center, Per the Requirements of Utah Code Section 10-8-2

SPONSOR: NA

STAFF CONTACT: Randy Hillier, Policy and Budget Analyst (801) 535-6606,
John Vuyk (801) 535-6394 or Katie Lewis (801) 535-7296

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 waiver of Salt Lake City's fees associated with the reconstruction of the Salt Lake County Health Department's Health Center.

BUDGET IMPACT: \$87,631

BACKGROUND/DISCUSSION: Salt Lake County has requested a waiver of fees associated with the reconstruction of the County Health Department's Salt Lake City Public Health Center at 610 South 200 East. The waived fees would include building permit fees. The County's request, in the form of a letter from Mayor Ben McAdams dated February 24, 2017, is attached.

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 waive the fees, it is

beneficial to consider whether waiving the fees 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 with the reconstruction of the Health Center at its existing location.

PUBLIC PROCESS: Public Hearing

MEMORANDUM

TO: Patrick Leary
Chief of Staff

FROM: Randy Hillier
Policy & Budget Analyst

DATE: April 6, 2017

SUBJECT: Waiver of Salt Lake City fees associated with the reconstruction of the Salt Lake County Health Department's Salt Lake City Public Health Center

Salt Lake County has requested a waiver of fees associated with the reconstruction of the Salt Lake County Health Department's Salt Lake City Public Health Center ("Health Center") at 610 South 200 East. The waived fees would include building permit fees. The County's request, in the form of a letter from Mayor Ben McAdams dated February 24, 2017, is attached.

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 waive the fees, it is beneficial to consider whether waiving the fees will meet the public benefit requirements under Utah Code 10-8-2.

First, the City will receive a unique benefit associated with the reconstruction of the Health Center. The County intends to continue providing essential health services to City residents who may not otherwise have access to health care, and the Health Center will remain a City and County-wide hub for unique health services for residents. In addition, the new Health Center will be co-located with other community nonprofit health organizations, including a federally qualified health center that will provide medical services to low-income residents. These benefits are unique to the Health Center and important to the City.

In addition, the fee waiver will help enhance City residents' health and well-being for the reasons listed below.

- Keeping the Health Center in its current location will increase costs since staff will need to be moved to and from temporary offices. However, it is advantageous to keep the clinic in its current location for many reasons. This is a central location that is familiar to those who have used its services, and it's close to those in need of services. The site sits next to a local economic development area and is within a census tract that shows that 25.5% of households are at poverty level. It will also be in close proximity to a homeless resource center.
- Further, a number of factors make the complete tear-down and rebuild advantageous over expansion and/or remodeling the existing structure. A study was commissioned by the County to review the cost of expanding/remodeling the existing building rather than to demolish the structure and rebuild. The study found that it would be more cost effective to demolish and rebuild the structure. A number health and safety considerations were taken into account. These include:
 1. The Health Center is more than 50 years old, and asbestos was employed in numerous areas of the building, including heating and cooling systems, insulation and flooring. Asbestos removal is very costly.
 2. The flow of the existing building is not easily navigable and often confusing to customers. A rebuild would help to rectify these design flaws. Additionally, though the building will be the same physical size, there will be a 10% increase in usable space due to improved design efficiencies.
 3. During a natural disaster, such as an earthquake, the Health Department, including this Health Center, will provide essential public services. In its current state, it would not withstand an earthquake that most newer structures would withstand. As such, it is essential that the building be updated to sustain a seismic event.
 4. Rebuilding the Health Center will allow for more energy efficient design; the installation of energy efficient fixtures, devices, systems and lighting will make the building LEED compliant.
 5. Remaining in the current location will allow the County to easily co-locate with other community nonprofit organizations that provide services to County populations in need, to increase awareness and benefit the public.
- In addition, the current location of the County Health Center resides on relatively valuable property. Other lower cost locations were reviewed as potential sites for

a new Health Center, but it was determined that remaining in the current location is important to providing the best available service to County residents who require the services the County Health Center provides.

The anticipated cost of the new structure will be \$16,829,863, including the \$700,000 cost for temporary location of staff currently located in the building. Since the size of the structure will remain the same, impact fees would not have been charged. The building permit fees for a building of this size and with this cost would be \$87,631. Per the County, the waived fees will be directly invested into the services provided.

With these considerations in mind, I recommend the Administration request a City Council public hearing to consider the waiver of the building permit fees associated with the reconstruction of the Salt Lake County Health Department's Salt Lake City Public Health Center at 610 South 200 East.



3/3/2017

Margaret, Mary Beth,

Please re-initiate the
Public Benefits analysis.

Please feel free to reach out to
County partners for clarify
information if needed.

Thanks. Petrie



Ben McAdams
Salt Lake County Mayor

February 24, 2017

Mayor Jackie Biskupski
451 State Street, Room 306
Salt Lake City, UT 84114

Dear Mayor Biskupski:

Salt Lake County is requesting a waiver of Salt Lake City fees associated with the rebuilding of the Salt Lake County Health Department's Salt Lake City Public Health Center at 610 South 200 East.

In discussions surrounding the necessary replacement of the current health department building it was evident that rebuilding the center in its current location was essential. The Salt Lake City Public Health Center (SLCPHC) has provided essential services to city and county residents for over 50 years. Due to its lengthy community presence, the center is seen by the public as an important resource for WIC vouchers and nutritional counseling, immunizations, birth and death certificates, tuberculosis screening and case management, and sexually transmitted diseases (STDs) and HIV screening, treatment and counseling. We often have patrons travelling from other places in the valley, bypassing closer services because they are familiar with the Salt Lake City building and services. This location also serves as the health department location for many county residents who commute to Salt Lake City for work. We are excited at the opportunities this updated building will provide to both city and county residents.

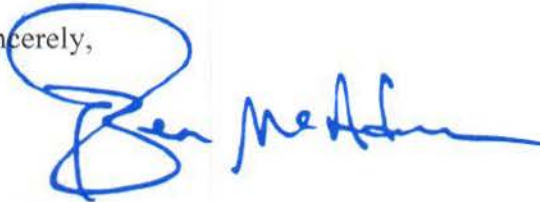
In addition to the traditional public health services that will be provided in the new facility, the health department has found that the co-location of its services with other community nonprofit organizations increases both community awareness and use while benefiting the public. The new SLCPHC will also include a federally qualified public health center operated by Community Health Centers (CHC), Inc. CHC offers primary care medical services to low-income residents, with the overwhelming majority (95 percent) of CHC's 11,000 Central City patients falling under 200 percent of the Federal Poverty Level. This co-location makes it easier for patients of the CHC to access necessary health department services and for the health department to refer individuals to a convenient medical home.

The design of the new building will make it easier for patrons to move between services. Vital records (birth and death certificates) will be available near areas where WIC vouchers and nutritional counseling are given, which in turn will be adjacent to the immunization clinic. We will use the same waiting room for all these services to increase convenience and community awareness of their availability. To better facilitate privacy, the new building will also have a

separate waiting area and entrance for those needing STD education and treatment.

The newly constructed Salt Lake City Public Health Center will provide expanded public health services to the Salt Lake community a waiver of the associated permit fees would allow this money to be invested directly into the services provided and would further strengthen the longstanding partnership between Salt Lake City and Salt Lake County in the interest of improved public health and safety.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben McAdams". The signature is fluid and cursive, with a large loop at the beginning and a long horizontal stroke at the end.

Ben McAdams
Salt Lake Count Mayor

RESOLUTION NO. ____ OF 2017

(Authorizing the Waiver of Fees Associated with the Construction of the Salt Lake County Health Department's New Salt Lake City Public Health Center)

WHEREAS, Salt Lake County is building a new Salt Lake City Public Health Center, located at 610 South 200 East; and

WHEREAS, Utah Code Section 10-8-2(1)(a)(v) allows public entities to "authorize municipal services or other nonmonetary assistance to be provided or to waive fees" (the "Fee Waiver") to nonprofit entities after a public hearing; and

WHEREAS, though Utah Code Section 10-8-2 does not require a study for the Fee Waiver, in this case the City's Finance Department voluntarily performed an analysis of Salt Lake County's request for a Fee Waiver for the construction of the Salt Lake City Public Health Center (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 Fee Waiver is appropriate under these circumstances.

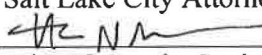
Passed by the City Council of Salt Lake City, Utah, this ____ day of _____, 2017.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM: Salt Lake City Attorney's Office  Katherine N. Lewis, Senior City Attorney Date: 4/4/17
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