
SALT LAKE CITY COUNCIL STAFF MEMO

DATE: August 20, 2004

To: City Council

MEMO BY: Michael Sears, Budget & Policy Analyst

SUBJECT: **Matching Funds Agreement - The Leonardo**

AFFECTED COUNCIL DISTRICTS: Citywide

On July 6, 2004 the Council received a briefing from the Administration regarding the Matching Fund Agreement with The Leonardo. D.J. Baxter from the Mayor's Office provided a written overview of the agreement.

In sum the agreement requires the foundation that is creating The Leonardo at Library Square to raise and report funds under a certain set of criteria. The criterion includes providing the City quarterly updates on fundraising progress and that only funds raised after January 1, 2002 shall count toward the matching funds. The agreement also specifies that qualifying donations shall include funds donated to develop exhibits, facility features, organizational infrastructure, State, County and Federal Funds and in-kind donations that are approved by the City.

During the briefing on July 6, 2004, the Council asked the Administration to work with The Leonardo group to set a deadline for fundraising. The Council said that five (5) years was a sufficient enough time to raise funds and that the building should not sit idle for the duration of bond approval period. The voter authorized timeframe is ten (10) years from the passage of the voter referendum for the sale of bonds. The Administration has contacted The Leonardo and has modified the agreement to include a five (5) year deadline on raising the required matching funds.

The revised agreement is included in the transmittal from the Administration.

After the briefing, some Council Members had additional questions about the agreement and the proposed use of the building while fundraising is occurring. The administration has provided the following additional information for review by the Council.

A question was asked about the 5 year time frame and whether it was excessive to allow the project to be awarded and whether or not there was anything that is in conflict with the RFP for this project.

"I do think this is largely out of the council's hands, since property management is an administrative function. But, if something we were doing ran afoul of the RFP, then that would raise a legitimate concern. The only thing we're doing that differs substantially from the terms of the RFP is using city funds for some of the major renovations to the building. To address that fact, we held a widely-publicized public meeting last August, at which we solicited input on how to proceed: do we go forward with the Leonardo and put the bond funding on the ballot, or is this so different from the RFP's original intent that we should scrap Leonardo and start over? The response was overwhelmingly in favor of proceeding with the Leonardo and putting the bond funding on the ballot. As I recall, the RFP did not give a deadline for completing the project, so, if anything, adding a deadline may conflict with the RFP. But, since all involved, including the Mayor, are comfortable with adding the deadline, I don't see it as a problem."

What are the possible interim uses of the building?

"We are concerned about having the building sit empty in the interim, and, therefore, we have leased some space in the building to two charter schools for this coming school year. They're moving in as we speak. Also, the Center for Documentary Arts (one of the Leonardo partners) will be putting on a significant exhibit on the building's main floor for 3 months in the spring, which should also help to activate the area."