
**SALT LAKE CITY COUNCIL
MEMORANDUM**

DATE: July 2, 2004
TO: Council Members
FROM: Gary Mumford
SUBJECT: CONTRIBUTIONS FOR THREE NON-PROFIT ORGANIZATIONS
CC: Sam Guevara, Rocky Fluhart, Steve Fawcett, DJ Baxter

The Department of Management Services completed three studies in compliance with Utah Code Section 10-8-2 (sometimes referred to as the Doug Short ruling) regarding (1) contributions to the Housing Authority for transitional housing, (2) contributions to the Road Home to support the emergency winter overflow shelter, and (3) contributions to the Downtown Alliance for First Night celebration.

The 2003 Legislature added language to the state code providing that a municipal legislative body may appropriate money for corporate purposes that in the judgment of the municipal legislative body, provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality subject to a study of the value received for any money appropriated and subject to a public hearing.

Transitional Housing

The Salt Lake City Housing Authority provides 103 units of transitional housing. Payments in lieu of taxes from the Housing Authority to the City will be \$108,500 in fiscal year 2004-05. Federal regulations allow housing authorities to make payments from federal funds to cities in lieu of property taxes. The City has traditionally contributed these funds back to the Housing Authority as a match for a federal grant used for maintaining existing transitional housing. The required study finds that homeless people create a disproportionate service demand on the public safety agencies because of their vulnerabilities and the life conditions that contribute to their homelessness. The study concludes that the net value received by the City constitutes adequate consideration, or equivalent value, for the benefit being provided by the appropriation.

Emergency Winter Overflow Shelter

The Emergency Winter Overflow Shelter located in Midvale assures that no one would be turned away from shelter during the months November through April. People don't go directly to the overflow shelter, but to the downtown shelter. When the downtown shelter is full, bus transportation is provided to the overflow shelter. Therefore, the people spending the night in the Midvale shelter come from the streets

of Salt Lake City. People who enter the shelter are offered services that provide an opportunity to gain stability and improve the quality of life. The study finds that the benefits to the City of this appropriation include reduced police and paramedic calls. The study concludes that the net value received by the City constitutes adequate consideration, or equivalent value, for the benefit being provided by the appropriation.

First Night Celebration

The First Night Celebration brings between 50,000 and 90,000 people downtown to 18 venues offering activities and entertainment for all ages. The study states that direct expenditures are approximately \$700,000 which generates \$45,500 in sales tax revenue of which \$7,000 is applicable to Salt Lake City. The downtown experience created by First Night may lead people to many future visits. The existence of such events may be important to prospective businesses who might be considering locating downtown. The study concludes that the net value received by the City constitutes adequate consideration, or equivalent value, for the benefit being provided by the appropriation.

SUGGESTED MOTION

Following the public hearing, the Council may wish to consider the following motion:

["I move that the Council"] Adopt the three resolutions accepting the studies and authorizing appropriations of \$108,500 to the Salt Lake City Housing Authority for transitional housing, \$64,000 to the Road Home to support the Emergency Winter Overflow Shelter, and \$15,000 to the Downtown Alliance to be used to support First Night.