
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: December 1, 2006
SUBJECT: Ordinance Defining a Significant Parcel of Real Property
AFFECTED COUNCIL DISTRICTS: Citywide
STAFF REPORT BY: Gary Mumford
ADMINISTRATIVE DEPT. Property Management
CC: Sam Guevara, Ed Rutan, Lynn Pace, Louise Zunguze, Steve Fawcett, John Spencer

KEY ELEMENTS:

On February 7, 2006, the Council received a briefing regarding a proposal to define the types of real property subject to property conveyance notice and public hearing. Following a court case in Weber County, state legislation was changed to allow a municipality to define by ordinance what constitutes a "significant parcel of real property" relating to the conveyance process. Since Salt Lake City hasn't defined a significant parcel, public hearings are scheduled before the Planning Commission for all conveyance of any interest in City-owned property including utility permits, leases or temporary use agreements, easements, and revocable permits. Approximately 40 to 60 conveyances are heard by the Planning Commission annually.

State code 10-8-2(4) also requires a 14-day "reasonable notice" and an opportunity for public comment before a municipality can dispose of a significant parcel of real property. The Code also requires each municipality to define what constitutes "reasonable notice."

The Administration is proposing that a "significant parcel of real property" be defined in order to streamline the respond to the public for minor utility permits or other inconsequential temporary uses. This will also increase city staff efficiency and allow the Planning Commission to focus on more significant issues. The proposed ordinance also defines "reasonable notice."

MATTERS AT ISSUE:

The Administration is proposing that "significant parcel of real property" be defined to include:

1. all sales of city owned property
2. all trades or exchanges of city owned property

In Addition:

3. for open space property – all utility permits, easements, lease or revocable permits
4. for golf course property – all utility permits, easements, lease or revocable permits
5. lease of surface rights of streets and alleys

Under the proposal, public notice and hearings will not be required for utility permits, lease or temporary use agreements, easements, or revocable permits of other property (except for open space, golf courses, and surface rights of streets & alleys, which require the normal conveyance process including notice and public hearing).

According to the proposed ordinance, reasonable notice of the proposed conveyance of a significant parcel of City owned real property will include:

1. Notice to be mailed to all abutting property owners;
2. Notice to be delivered to the office of the City Council, posted in the office of the City Recorder, delivered to a local media representative, and posted on the City's website.

Presently, public hearings on conveyances are held by the Planning Commission. The proposed ordinance will provide that the hearings regarding conveyances of significant parcels of real property can be held by the Public Utilities Advisory Committee or Airport Advisory Board in lieu of the Planning Commission. For some parcels of real property located outside of city limits, perhaps the Public Utilities Advisory Committee or Airport Advisory Board will be the more appropriate body to conduct a public hearing (e.g., watershed, canal property in county area, Airport #2, Tooele Airport, etc.)

At the February briefing the Council asked that language be specifically added to the ordinance to ensure that notice and public hearings will always be provided for the following:

1. Any property where the conveyance of the property would result in a request to amend the City budget;
2. Any property where the conveyance of the property would result in a request for a change of zoning of that property;
3. Any property that is specifically referenced in a master plan or where the proposed use of the land following its conveyance would conflict with the master plan for the area

These three items have been added to the revised proposed ordinance.

As discussed above, the City Council will receive notice of conveyance of significant parcels of City owned property. The Council has the option to call for an additional public hearing to be held by the Mayor or his designee. Any request for a hearing must be made by the Council within 15 days. The ordinance proposed last February contained a shorter 7-day period, but it was changed in this revision to 15 days to be consistent with the current ordinance and to allow more time to add conveyances to a regular Council meeting agenda. Under the proposed ordinance, the Council will no longer be given notice for utility permits, leases, easements, or revocable permits with the exception that notice will continue to be provided for any conveyance of interest in city-owned open space or golf course property and leases of surface rights of streets & alleys. Notice will

always be provided where the conveyance would result in a request to amend the budget, change zoning, or where the property is specifically referenced in a master plan.

The revisions that the Council requested to be made to the proposed ordinance were delayed several months as a result of the transition process of selecting a new property manager and because of other major work priorities of the Property Management office.

OPTIONS:

Since the proposed ordinance appears to resolve the Council's previous concerns relating to open space, budgets, zoning and master plans, the Council may wish to forward the ordinance to a future Council meeting for consideration. If there are any additional concerns, they can be discussed during the work session so that the ordinance can be revised prior to considering it in a formal Council meeting.

SALT LAKE CITY ORDINANCE
No. _____ of 2006

(Defining what Constitutes a Significant Parcel of Real Property)

AN ORDINANCE DEFINING WHAT CONSTITUTES A SIGNIFICANT PARCEL OF
REAL PROPERTY WITHIN THE MEANING OF THE UTAH STATE CODE.

WHEREAS, U.C.A. § 10-8-2(4) requires that before a municipality may dispose of a significant parcel of real property, the municipality must provide at least 14 days notice and an opportunity for public comment on the proposed disposition; and

WHEREAS, the Utah Code also requires that each municipality shall, by ordinance, define what constitutes a significant parcel of real property and what constitutes reasonable notice; and

WHEREAS, after having reviewed and studied this matter, the City Council finds that the proposed ordinance is in the best interest of the City;

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah, as follows:

SECTION 1. Section 2.58.020B of the Salt Lake City Code shall be and hereby is amended to read as follows:

B. Sale, Lease or Irrevocable Transfer. The chief procurement officer shall adopt specific written guidelines establishing requirements for notice, bidding or other conditions of sale, lease or other transfer of real property.

SECTION 2. Section 2.58.035 of the Salt Lake City Code shall be and hereby is enacted to read as follows:

2.58.035 Significant Parcel of Real Property

In connection with any proposed sale, lease, conveyance or other disposition of real property owned by the City, the following real property is deemed to be "significant":

- A. Any property where the conveyance of the property would result in a request to amend the City budget;
- B. Any property where the conveyance of the property would result in a request for a change of zoning of that property;
- C. Any property that is specifically referenced in a master plan or where the proposed use of the land following its conveyance would conflict with the master plan for the area; and
- D. Any property designated as significant on the "Table of Significant Parcels of Real Property" set forth below.

SECTION 3. The Salt Lake City Code shall be and hereby is amended to include the "Table of Significant Parcels of Real Property," as set forth on Exhibit A attached hereto, to be located within Section 2.58.035D of the City Code.

SECTION 4. Section 2.58.040 of the Salt Lake City Code shall be and hereby is amended to read as follows:

- A. A significant parcel of real property owned by the city or any legal interest therein, shall not be sold, traded, leased or otherwise conveyed or encumbered until the City has provided reasonable notice to all interested parties and held at least one public hearing on the proposed conveyance as set forth herein.
- B. Reasonable notice of the proposed conveyance of a significant parcel of City owned real property shall be interpreted to require the following:
 - 1. Notice of the proposed conveyance shall be mailed to all abutting property owners.
 - 2. Notice of the proposed conveyance shall be delivered to the office of the City Council, posted in the office of the City Recorder, delivered to a local media representative, and posted on the City's website.

C. No significant parcel of City owned real property, as identified on Table 2.58.035, may be conveyed until after a public hearing has been held before either the Salt Lake City Planning Commission, the Airport Advisory Board, or the Public Utilities Advisory Board.

D. In addition to the public hearing required above, the Salt Lake City Council may also request a public hearing prior to the conveyance of any significant parcel of City owned real property. Any request for a hearing before the City Council must be delivered to the office of the Mayor no less than 15 days after delivery of the notice to the office of the City Council pursuant to Subsection B.2 above. If no request for a hearing is made within that time period, the City Council shall be deemed to have waived any right to request a hearing.

If a written call for hearing has been made by the council, the mayor or his or her designee shall meet thereafter to hear and consider comments upon proposals to convey the city property specified in the notice. Such hearing shall take place before, after or in conjunction with a regularly scheduled city council meeting, as determined by the mayor.

E. Any notice of a proposed conveyance of a significant parcel of City owned real property shall specify the following:

1. A description of the property to be conveyed or encumbered;
2. The nature of the proposed conveyance or encumbrance, whether the property is to be sold, traded or encumbered, including the nature of the conveyance if the property is to be sold, or if a trade or lease of property is contemplated, a brief summary of the proposed transaction;
3. Persons to whom interests are to be conveyed;
4. Any consideration tendered;
5. The name of the person, department or entity requesting such action;
6. The basis upon which the value of the interest has been determined by the city;
7. The date, time and location of the public hearing to be held.

The notice shall further state that interested persons may appear and comment upon the proposal.

F. The conveyance or encumbrance of real property of the city may be finalized as follows:

1. By the mayor, at his/her discretion following notice and/or public hearing, as required by this section; or

2. If the transfer is revocable and the mayor has determined that an unanticipated combination of facts and conditions of pressing necessity has emerged which requires that action be taken prior to a city council hearing. Such conditions shall not be deemed to arise, unless it appears that delay from notice or a hearing would produce:

a. Great or irreparable injury to persons seeking the conveyance or encumbrance, with negligible impact upon city interests,

b. Serious detriment to the social or economic interest of the community as whole, or

3. Substantial economic loss to the city.

G. Any decision by the mayor to forego the city council hearing provisions of this section shall be made in writing to the city council, stating the specific reasons upon which the decision was based.

SECTION 5. EFFECTIVE DATE. This Ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2006.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. _____ of 2006.
Published: _____.

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 5-30-06
By [Signature]

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2.58.035D "TABLE OF SIGNIFICANT PARCELS OF REAL PROPERTY"

| Type of Property ¹ | Transactions Granting Fee Title | | Transactions Granting an Interest | | | | |
|--|---------------------------------|--------------------|-----------------------------------|-----------|-------------------|-------------------|-------------|
| | Property Sales | Property Exchanges | Lease or Temporary Use Agreements | Easements | Utility Permits** | Revocable Permits | |
| | | | | | | Commercial | Residential |
| Airport | Y | Y | N | N | N | N | NA |
| Golf Courses | Y | Y | Y* | Y | Y | Y | Y |
| Open Space ² : | Y | Y | Y | Y | Y | Y | Y |
| Streets & Alleys: | | | | | | | |
| Surface Rights ³ | Y | Y | Y* | N | N | N | N |
| Subsurface Rights | Y | Y | N | N | N | NA | NA |
| Aerial Rights | Y | Y | N | N | N | NA | NA |
| Public Buildings (except Airport property) | Y | Y | N | N | N | N | N |
| Public Utilities Properties: | | | | | | | |
| Canal Properties | Y | Y | N | N | N | N | N |
| Water Facilities | Y | Y | N | N | N | N | N |
| Sewer Facilities | Y | Y | N | N | N | N | N |
| Storm Drain Facilities | Y | Y | N | N | N | N | N |
| Watershed | Y | Y | N | N | N | N | N |

¹ To the extent that the property falls into more than one category, the more restrictive process will apply.

² Includes all open space property within or without City boundaries, as defined in Chapter 2.90 and Chapter 21A of the Salt Lake City Code.

³ To the extent that any surface use involves a street or alley closure, such use would also be subject to the street or alley closure process.

NA = not applicable

*More than 10 years initial term or more than 30 years total with option terms.

**Includes Telecommunications Franchises and Telecommunications Right-of-way Permits.