
M E M O R A N D U M

DATE: March 28, 2006
TO: City Council Members
FROM: Russell Weeks
RE: Briefing: Unity Center Update
CC: Cindy Gust-Jenson, Rocky Fluhart, Rick Graham, Sam Guevara, Kay Christensen, Gary Mumford, Jennifer Bruno

This memorandum pertains to a progress update of the planned Unity Center in City Council District 2. The Administration is scheduled to present the update at the City Council work session on March 30. The Administration last updated the full City Council about the Unity Center in July and August 2005. The City Council is not scheduled to take formal action on the item at its March 30 work session.

KEY POINTS

- The Administration expects construction of the Unity Center to start in August 2006. The center would open in March 2007.
- Based on that schedule the Public Services Department plans to include \$90,000 to operate and maintain the center in the department's proposed budget for Fiscal Year 2006-2007.
- The Administration has obtained two parcels of land that would have separated the planned Unity Center from the existing Sorensen Center and Steiner Aquatics swimming pool.
- The City has received another \$400,000 in total donations from the Alliance for Unity and philanthropist James Sorenson, according to the Administration transmittal.
- The planned size of the Unity Center has diminished by about 4,900 square feet since the Administration presented a business plan, including a conceptual floor plan, to the City Council in July and August 2005.
- The Administration appears closer than it did last summer in reaching agreement with Salt Lake County, Salt Lake City College, and Donated Dental of Utah to provide services in the Unity Center.

ISSUES/QUESTIONS FOR CONSIDERATION

- What considerations led to the reduction of the center's total square footage since the Administration briefed the City Council in July and August 2005?
- Is the City seeking additional revenue, such as an allocation of Salt Lake County Zoo, Arts and Parks tax revenue, for the center?

- According to the transmittal, the building will be built to meet Leadership in Energy and Environmental Design standards. City Council staff understands that the standards contain a spectrum of levels. To what level of standard is the building being designed?
- There appears to be a reduction in the amount of square feet for the performing arts space in the building. Will the reduction change the character of that space from the space discussed in the 2005 business plan? If so, how will the character of the space change?

BACKGROUND/DISCUSSION

After the LDS Church, Alliance for Unity and philanthropist James Sorenson donated property and money to Salt Lake City to resolve issues involving Main Street between North Temple and South Temple streets, Salt Lake City began to prepare to build what was termed the Unity Center near the Sorenson Multi-Cultural Center at 855 West California Avenue (1280 South).

In July and August 2005 the Administration discussed a business plan to build and operate the center. At the time one of the goals was to build the center close to the Sorenson Center. However, the City first had to acquire two parcels of land between the Sorenson Center and property for the center that the LDS Church had donated. Since the briefing the two properties have been acquired, according to the Administration.

At the briefing last summer the Administration indicated that about \$4.5 million was available to build the center. Since then the City has received another \$400,000 in donations, and interest has accrued on some cash donations since December 2002. The following is a brief summary of revenue sources:

Unity Center Revenues	
2002: Alliance for Unity --	\$4,000,329
2002: James Sorenson --	\$ 500,000
2006: Alliance for Unity --	\$ 200,000
2006: James Sorenson --	\$ 200,000
Interest on Donations --	\$ 290,563

It should be noted that the City Council in 2003 allocated about \$290,563 of those revenues to design the center.

It also should be noted that the business plan presented in 2005 indicated that the center would contain 28,260 square feet. According to the Administration, the business plan’s estimate of floor space was conceptual. The Administration transmittal for the March 30 meeting indicates that the center will contain 23,361 square feet, a difference of 4,899 square feet.

The chart below prepared by City Council staff shows a comparison of square footage in the most recent transmittal and the 2005 business plan:

Unity Center Square Footage – March 2006	Unity Center Square Footage – July 2005
Health & Fitness Facility – 6,736 Sq. Ft.	Health & Fitness Facility – 7,000 Sq. Ft.
Community College – 2,649 Sq. Ft.	Community College – 2,565 Sq. Ft.
Day Care Facility – 764 Sq. Ft.	Day Care – 980 Sq. Ft.
Donated Dental Services – 3,195 Sq. Ft.	Donated Dental Services – 3,000 Sq. Ft.
Performing Arts – 3,134 Sq. Ft.	Performing Arts – 4,053 Sq. Ft.
Lobby/Reception/Exhibit – 3,591 Sq. Ft.	Lobby/Reception/Exhibit – 3,494 Sq. Ft.
Remaining Common Area – 3,292 Sq. Ft.	Remaining Common Area – 6,053 Sq. Ft.
	Applied Technology Center – 1,115 Sq. Ft.
Total – 23,361 Sq. Ft.	Total – 28,260 Sq. Ft.

The three largest reductions in the most recent transmittal appear to involve the “Remaining Common Area” – a difference of 2,462 square feet; an area designated in the business plan for the Applied Technology Center – a difference of 1,115 square feet; and the performing arts area – a difference of 919 square feet. According to the Administration, the Applied Technology Center may share one of three classrooms that would be built for use by Salt Lake Community College. Any agreement involving sharing the three rooms will be between the Community College and the Technology Center.

Two other computer laboratories and a connecting hallway making up 2,020 square feet – originally designated in the business plan to replace two portable classrooms at the Sorenson Center – have been omitted in the final construction drawings. The rooms will be added if construction bids come in lower than anticipated or if the City receives additional funds for the center. Bid documents will include the rooms as alternate designs to the final plans, so the City will not have to seek bids only to build the two rooms, according to the Administration. Other lessening of square footage in the final plans involves improvements in the building’s efficiency, not a loss in program space, according to the Administration.

Other areas common to the most recent transmittal and the 2005 business plan include the areas designated the Salt Lake Community College, a health and fitness facility operated by Salt Lake County, and operatory and office space for Donated Dental of Utah. According to the Administration, it has a written memorandum of understanding with Donated Dental and has reached oral agreements with Salt Lake County and Salt Lake Community College.

According to the transmittal, the Administration projects that the center will cost about \$343,000 annually to operate. The three groups operating programs in the center will pay about \$135,000 a year to offset some of the annual expense. However, the Administration cautions that “the potential yearly operation and maintenance cost not covered by tenants is \$208,000 a year.” It should be noted that at the August 23, 2005, City Council briefing, the Administration estimated that the center would require a \$230,000 a year allocation from the General Fund. The City Council acknowledged that the center probably would require annual General Fund allocations.

According to the transmittal, the Administration plans to award contracts in June or July this year to build the center. Construction is projected to start in August, and the center would open for use in March 2007.

Planned services at the center stem from three meetings in the community where District 2 residents identified services they would like to have at the center. According to the 2005 business plan, the services residents wanted in order of priority were:

- Activities and facilities that promote the health and fitness of the local community.
- Facilities and programs that promote cultural exchange and increase understanding of, and participation in, the arts.
- Programs to increase education levels, build work related skills, and enhance abilities to participate in civic life.
- Services that address medical, dental, and mental health needs of the community.
- Programs and services geared toward business and economic development.
- Quality drop-in day care for users of the Unity Center.
- A place for gathering together.

COUNCIL TRANSMITTAL

TO: Rocky J. Fluhart
Chief Administrative Officer

DATE: March 23, 2006

FROM: Rick Graham, Director
Public Services Department

SUBJECT: Sorenson Unity Center Progress Update

STAFF CONTACT: Rick Graham, Director 535-7774
Public Services Department or
Kay Christensen 535-7677

DOCUMENT TYPE: Briefing

RECOMMENDATION: None at this time

BUDGET IMPACT: None

BACKGROUND/ DISCUSSION: We last reported to you on Sorenson Unity Center progress in July 2005. As I told you at that time, the Mayor asked me to direct the Sorenson Unity Center Project. I have been assisted in this effort by Kay Christensen, Janet Wolf, Steve England, and Rosanita Cespedes and Boyd Ferguson, who is assisting us as we negotiate and sign Memorandums of Understanding with Center partners and make other decisions and agreements that require legal consultation.

In December 2002, the Mayor announced a proposal to resolve the Main Street Plaza controversy. That proposal resulted in the donation by the Church of Jesus Christ of Latter-day Saints ("The Church") of 2.17 acres of land adjacent to the Sorenson Center and a commitment by the Alliance for Unity to donate \$4 million in funds to build the Unity Center on the land. (James Sorenson also donated 2.37 acres of land near the existing Sorenson Center and \$500,000 to assist with the building of the Unity Center.) In return, the City agreed to relinquish to the Church the easement over the Main Street Plaza. On June 10, 2003 the City Council voted to accept the proposal by abandoning the easement and the City received a donation of \$4,500,329 to design, build and furnish the Unity Center. Those funds were placed in an interest bearing City trust account (interest earned to February 2006, \$290,563.00). On September 16, 2003 the Council voted to

authorize the expenditure of \$300,000 from the Fund for the purpose of beginning the planning and design of the project.

After negotiating for a year, we have been successful in obtaining the two privately owned properties (1361 South 900 West and 1367 South 900 West) totaling .92 acres that lie between the property donated by the Church of Jesus Christ of Latter-day Saints and the existing Sorenson Center. The facility could have been constructed without these two properties but the design would have been compromised significantly and everyone working on this project believes the enhanced quality of the building and the site will be well worth the slight delay. Council member Van Turner was a great help in securing the property and I want to acknowledge his important role.

Recently, we received additional contributions of \$200,000 each from James Sorenson and the Alliance for Unity.

Because of Mr. Sorenson's generosity and his commitment to the Glendale and Poplar Grove neighborhoods, the new facility will be known as the Sorenson Unity Center. The entire area bounded by 8th West on the east and 9th West on the west, by Lincoln Elementary on the South and California Avenue on the north will be known as the Sorenson Multi-Cultural Unity Campus. This includes the existing Sorenson Center.

THE BUILDING

The Sorenson Unity Center will be 23,361 square feet. Approximately 54% of the building (12,580 square feet) will be dedicated to three specific tenants:

1. Salt Lake County will operate a 6,736 square foot health and fitness facility with strength and conditioning equipment, an exercise studio, dressing areas with restrooms, showers and lockers. We are currently working out final details to a revision of our current Interlocal Agreement with the County to include their operation of this facility. The costs associated with the operation of the health and fitness facility will be paid for by the County, offset by user fees.
2. Salt Lake Community College will operate three classrooms at the Center. The College will offer skill training and adult basic education. They will also have office space, for a total of 2,649 square feet. An Agreement to Lease has been negotiated and approved by both the City and the College and will be signed within days. The cost to operate these classrooms will be the responsibility of the Community College, and their costs will be offset by the tuition charged.
3. Donated Dental Services of Utah currently operates a dental clinic in the same building as the 4th Street Clinic. They will be losing their lease at that location and will move to the Sorenson Unity Center. The 4th Street Clinic will begin to operate dental service for the homeless population that is currently approximately 20% of Donated Dental's patient load. Donated Dental will serve the low income residents of the Poplar

Grove and Glendale communities. The clinic will occupy 3,195 square feet to provide six full service dental chairs for diagnosis and treatment by volunteer dentists. This service is free, based on income level. Donated Dental Services of Utah has already signed a Memorandum of Understanding and they will bear all the costs of operating the clinic.

As explained, these three tenants will pay 100% of the costs associated with their own space and a portion, based on square footage, of the costs of common area maintenance.

The performing arts space will be 3,134 square feet. This space will be used for community theatre, dance, music, concerts and other gatherings and community meetings. It includes the performance space, reception area, dressing areas, storage and a sound booth. A portion of the cost of operating this space will be recovered through rental fees.

The remaining space, 7,647 square feet is common area, some of which is also rentable. This space includes a lobby/general reception area (3,591 square feet) which includes exhibit space and space for private events and community meetings.

This space also includes a drop-in day care facility (764 square feet) which will be available for those taking classes with the Community College and working out in the health and fitness facility. An hourly fee will be charges consistent with County rates at other facilities.

There will also be a small prep kitchen, administrative offices, and restrooms.

We also continue to seek additional funds for construction to allow us to add two additional classrooms to the facility. These classrooms could also be added if the construction bids come in lower than anticipated. The construction bid documents include the two additional classrooms as an alternate, so it will not be necessary to re-bid. If we can add the classroom space, it will be used to house the current computer clubhouse program and adult computer space and will be operated by the City.

The building design is carefully planned to offer, within the limits of space and funding, everything identified as a priority in our extensive public process. It is designed to be open and welcoming. The lobby area will be a place where the rich and varied cultures represented in the community can be showcased and celebrated.

The building will meet high performance standards and will be LEED certified (LEED stands for Leadership in Energy and Environmental Design, and it is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. The standard is set by the USGBC, the United States Green Building Council. A building is LEED certified when it meets certain standards in sustainable site development, water and energy conservation, material selection, and indoor environmental quality). The goal is to meet this standard without impacting comfort and productivity.

The design will have a CPTED study (Crime Prevention Through Environmental Design) and will comply with all ADA requirements.

OPERATION AND MAINTENANCE

The anticipated costs to operate and maintain the Unity Center facility are as follows:

<u>Expenditure Category</u>	<u>Estimated Annual Cost</u>
Utilities	\$68,500
General Building Maintenance	\$89,560
Theater Maintenance	\$7,500
Security	\$51,620
Management	\$109,650
Programming	\$6,500
Capital Improvements	<u>\$10,000</u>
<i>TOTAL</i>	<i>\$343,330</i>

Expenses recovered from the three tenants will equal approximately \$135,400 per year. It will cost an additional \$208,000 a year to operate and maintain the remaining 38% of the total square footage of the facility. A portion of those costs may be offset with user and rental fees for the common area/exhibit space, the performing art space, the kitchen and the day care, but the potential yearly operation and maintenance cost not covered by tenants is \$208,000 a year. This figure includes staffing expected to include a facility manager and a programming/marketing manager.

We continue to seek additional funding sources to offset the costs of operation and maintenance, but it is possible we will need to request a substantial portion of this amount from the General Fund.

TIMELINE

Bidding and Awarding of Contracts: June, July, 2006
Construction: August-February, 2007
Grand Opening: March 2007