

SALT LAKE CITY CORPORATION


LAW DEPARTMENT

EDWIN P. RUTAN, II
CITY ATTORNEY

ROSS C. ANDERSON
MAYOR

MEMORANDUM

TO: City Council Members

FROM: Ed Rutan 

DATE: August 3, 2007

SUBJECT: Update on Proposed Salt Lake County Bond Issue for the Hogle Zoo

A description of the various projects comprising the proposed bond initiative is attached. Also attached is a photomap which shows the various parcels comprising the Hogle Zoo Property.

We have been discussing with the County's attorneys the basic structure necessary to meet the legal requirements for the County to be able to issue bonds for the proposed improvements to the Zoo. The basic requirement is that the County must have an ownership interest in the improvements financed by the bonds. The specific extent of that interest has not yet been identified, nor has the specific "ground" to be leased by the City to the County been identified in the event that such a lease is necessary. The general concept being discussed (recognizing that neither the County Council nor the City Council, nor either Mayor has approved it) is that the City would acknowledge and agree to the County's ownership of the improvements financed by the bonds during the term of the bonds and that ownership of the improvements would pass to the City at the end of the term of the bonds. A lease would be entered into for the term of the bonds for the property on which the improvements are located to the extent necessary to comply with legal requirements.

These arrangements would be detailed in an interlocal agreement between the City and the County that would be signed off on before the County Council's vote on whether to put the issue on the ballot for voter approval.

The following is the status on various issues or questions that have been raised by the Council:

- (1) Location of the Zoo. As you know, the Utah Zoological Society agreed when the City issued bonds for the Zoo in 2004 that the Zoo would not leave its current location in Salt Lake City during the term of the bonds. We have advised the County's attorneys that we would expect the same commitment during the term of the new bonds.

- (2) Ballot Language. We have not yet seen proposed ballot language from the County. I do not expect that it will be available by Tuesday.
- (3) Dollar Amount of the Bond. I have not discussed that with the County's attorneys beyond the \$65 million number proposed by the Society. I do not have numbers on the cost of the bond for typical property holders, but I will try to get them for Tuesday's meeting.
- (4) Use of Bond Proceeds for other purposes. All of my discussions with the County's attorneys have contemplated that all the proceeds would be used for the proposed zoo improvements. No mention of other purposes has been made.

cc: Mayor Anderson
Sam Guevara
Lyn Creswell
Rick Graham
Cindy Gust-Jensen

RESOLUTION NO. _____ OF 2007

AUTHORIZING THE APPROVAL OF AN
INTERLOCAL COOPERATION AGREEMENT BETWEEN
SALT LAKE CITY CORPORATION AND
SALT LAKE COUNTY REGARDING HOGLE ZOO

WHEREAS, Title 11, Chapter 13, Utah Code Ann., 1953, allows public entities to enter into cooperative agreements to provide joint undertakings and services; and

WHEREAS, the attached agreement has been prepared to accomplish said purposes;

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

1. It does hereby approve the execution and delivery of the following:

AN INTERLOCAL COOPERATION AGREEMENT BETWEEN SALT LAKE CITY CORPORATION AND SALT LAKE COUNTY REGARDING THE HOGLE ZOO

2. Ross C. "Rocky" Anderson, Mayor of Salt Lake City, Utah, or his designee, is hereby authorized to approve, execute, and deliver said agreement on behalf of Salt Lake City Corporation, in substantially the same form as now before the City Council and attached hereto, or with such changes therein as the Mayor on behalf of the City shall approve, his execution thereof to constitute conclusive evidence of such approval.

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

_____, 2007.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM:

SENIOR CITY ATTORNEY

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date
By
August 3, 2007



Question 8
Projected per Household Tax Burden

Amount Issued	Year	Term (yrs)	Interest Rate	Annual Debt Service Payment	Required Tax Rate (a)	Residential Property Market Value			Commercial Property Market Value		
						\$ 250,000	\$ 300,000	\$ 350,000	\$ 1,000,000	\$ 5,000,000	\$ 10,000,000
Scenario 1											
\$ 35,000,000	2008	15	4.50%	\$ 3,259,000	0.000042	\$ 5.74	\$ 6.88	\$ 8.03	\$ 41.71	\$ 208.56	\$ 417.12
\$ 30,000,000	2010	15	4.50%	\$ 2,793,000	0.000034	\$ 4.63	\$ 5.56	\$ 6.49	\$ 33.70	\$ 168.48	\$ 336.96
Total						\$ 10.37	\$ 12.44	\$ 14.52	\$ 75.41	\$ 377.04	\$ 754.08
Scenario 2											
\$ 35,000,000	2008	20	4.50%	\$ 2,691,000	0.000034	\$ 4.74	\$ 5.68	\$ 6.63	\$ 34.44	\$ 172.21	\$ 344.42
\$ 30,000,000	2010	20	4.50%	\$ 2,306,000	0.000028	\$ 3.83	\$ 4.59	\$ 5.36	\$ 27.82	\$ 139.10	\$ 278.21
Total						\$ 8.56	\$ 10.27	\$ 11.99	\$ 62.26	\$ 311.31	\$ 622.63
Scenario 3											
\$ 25,000,000	2008	15	4.50%	\$ 2,328,000	0.000030	\$ 4.10	\$ 4.92	\$ 5.74	\$ 29.80	\$ 148.98	\$ 297.96
\$ 20,000,000	2010	15	4.50%	\$ 1,862,000	0.000022	\$ 3.09	\$ 3.71	\$ 4.32	\$ 22.46	\$ 112.32	\$ 224.64
\$ 20,000,000	2012	15	4.50%	\$ 1,862,000	0.000021	\$ 2.91	\$ 3.49	\$ 4.08	\$ 21.17	\$ 105.87	\$ 211.74
Total						\$ 10.10	\$ 12.12	\$ 14.14	\$ 73.43	\$ 367.17	\$ 734.35
Scenario 4											
\$ 25,000,000	2008	20	4.50%	\$ 1,922,000	0.000025	\$ 3.38	\$ 4.06	\$ 4.74	\$ 24.60	\$ 123.00	\$ 246.00
\$ 20,000,000	2010	20	4.50%	\$ 1,538,000	0.000019	\$ 2.55	\$ 3.06	\$ 3.57	\$ 18.56	\$ 92.78	\$ 185.55
\$ 20,000,000	2012	20	4.50%	\$ 1,538,000	0.000017	\$ 2.40	\$ 2.89	\$ 3.37	\$ 17.49	\$ 87.45	\$ 174.90
Total						\$ 8.34	\$ 10.01	\$ 11.67	\$ 60.64	\$ 303.22	\$ 606.45
Scenario 5											
\$ 35,000,000	2008	10	4.50%	\$ 4,423,000	0.000057	\$ 7.78	\$ 9.34	\$ 10.90	\$ 56.61	\$ 283.05	\$ 566.11
\$ 30,000,000	2010	10	4.50%	\$ 3,791,000	0.000046	\$ 6.29	\$ 7.55	\$ 8.80	\$ 45.74	\$ 228.68	\$ 457.36
Total						\$ 14.07	\$ 16.89	\$ 19.70	\$ 102.35	\$ 511.73	\$ 1,023.47

2007 Hogle Zoo Bond Initiative

"RENEW THE ZOO"

BOND PROJECT DESCRIPTIONS

Prepared for Salt Lake City Council

August 9, 2007

Polar Exhibit: Underwater viewing of polar bears and seals will thrill, inspire, and educate guests. This facility will return the zoo to prominence in polar bear conservation, and will also highlight the Arctic fox, Bald eagle, and other denizens of the tundra. Environmental controls will ensure animal comfort through all seasons of the year.

Diversity of Life: A dynamic facility focusing on experiential education. It will provide a living classroom highlighting the beauty and diversity of nature's smaller creatures and the aquatic world. Location & design provides easy year round access for schools and community programs.

African Savanna: The centerpiece of the zoo entry experience will mix giraffes, zebras, and other African antelope, highlighted by the new "African Savanna Train" ride traveling through the exhibit. Nearby, a pride of lions watches over the scene from their elevated territory.

Parking Structure at North Lot: We will erect a two-level parking structure on the north lot, near the main entrance. This will dramatically increase the parking capacity, have a minimal above-ground profile and add convenience and increased capacity for zoo patrons. Tasteful landscaping and an open-air design will minimize the visual impact.

Conservation Resource Center: A new "nerve center" will house mission-driven programs and activities, with critical office and conference space. New location frees space for exhibits and programming needs within the core site.

Animal Health Center: A state of the art hospital for the clinical care of the zoo's animals, and center for animal nutrition, environmental enrichment, and preventive medicine programs. It will also serve as a teaching/training center for visiting veterinary students/interns.

Hogle Zoo Bond Effort 2007

The Hogle Zoo is in the process of asking the Salt Lake County Council to place a \$65million bond on Salt Lake County ballot for the November 2007 election.

This bond, along with a \$20million private campaign would complete the process of funding the master plan that began with a bond from the City in 2003. In making this decision to seek a county bond the Zoo look at the demographic and attendance numbers of Zoo visitors, and concluded based on use, fees etc that the county was the right venue for a bond of this nature.

The leaders at Hogle Zoo have met numerous times with county elected officials and staff. Including two appearance before the Community Services sub-committee as well as, the County Debt Review Committee, for a very through review of the Zoo's finances, processes, board, capacity, future plans and certainly the master plan.

The Zoo has been passed out of debt review with a favorable vote, with a few conditions. The most important of which involves the City. The following is the actual language from the debt reviews recommendations:

1. The Zoo's proposal currently does not address the requirement of the Local Government Bonding Act that the bonds be used for the acquisition, either alone or jointly, of an interest in the Zoo. Salt Lake City currently has sole ownership of the Zoo property and all improvements. If the bond measure is placed on the November 2007 ballot and is approved by the voters, the County must have an ownership interest in the improvements to the Zoo property made with the bond proceeds. The DRC recommends that the ownership interest be clearly identified prior to the issue being placed on the November ballot. This condition requires the Zoo to coordinate and facilitate the negotiation of an appropriate interlocal agreement between Salt Lake County and Salt Lake City regarding the County's ownership interest necessary for issuance of bonds.

So in short the county must have ownership interest in the improvements to the Zoo property made with the bond proceeds, and that is the issue that we are hoping the City can help solve.

It is Hogle Zoo's understanding that so far all parties engage in the process have been positive and interesting in working out an agreement quickly. The Zoo, along with the county representatives, held an initial meeting with city attorneys and representatives on July 16,2007.

With that as a reference time seems to be the largest challenge. According to state law the county must vote to place this proposal on the ballot before AUGUST 23, 2007. The county council as confirmed council meetings on July 31, August 7, August 14 in which this bond placement could possibly be voted on.

The Zoo has no position on who and how a remedy is found between the City and the County, but rather, is very willing to staff, facilitate, supply and provide any information necessary for both parties to come to an agreement best suiting both government entities. If there is any additional information or briefings that would be helpful to the City Council in its consideration of the issue, the Zoo would be most happy to oblige.



Test Bond Implementation Schedule
 August 3, 2007

"Renew the Zoo" - A Master Plan for Utah's Hogle Zoo
\$65M Test Bond Implementation Schedule Prepared for the Salt Lake City Council

Design Phase Bidding/Permitting Construction Phase Opening

← 5 YEAR IMPLEMENTATION PLAN →

Attractions	2007 Dollars	2007				2008				2009				2010				2011				2012				2013				2014				Including Cost Increase Projection
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
Polar Exhibit	\$15,000,000					0.2																												\$19,601,520
D.O.L./Education/Rainforest OR Savanna (Giraffe, Rhino, Predators)	\$15,000,000									0.1			0.2									0.2												\$23,805,826
Subtotal Attraction Projects	\$30,000,000																																	\$43,407,346
Infrastructure	2007 Dollars	2007				2008				2009				2010				2011				2012				2013				2014				Including Cost Increase Projection
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
Parking Structure at North Lot	\$12,000,000					0.6																												\$14,462,400
Subtotal Infrastructure Projects	\$12,000,000																																	\$14,462,400
Strategic Services	2007 Dollars	2007				2008				2009				2010				2011				2012				2013				2014				Including Cost Increase Projection
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
Conservation Resource Center	\$3,000,000					0.2				0.1																								\$3,781,200
Animal Health Center	\$3,000,000					0.4								0.1																				\$3,744,768
Subtotal Strategic Services Projects	\$6,000,000																																	\$7,525,968
Budgets in 2007 Dollars	\$48,000,000																																	

Total Cost Including Projected Escalation \$65,395,714

Hogle Zoological Gardens

Legend

- Hogle Zoological Gardens 38.1900 Acres
- Hogle Land Donation in 1936 32.02 Acres
- Hogle Property Actually Used for Zoo 24.3883 Acres

- Hogle Property Used For Golf Course & Street Purposes 8.3521 Acres
- Property Acquired by City in 1920 5.8110 Acres
- Property Acquired by City in 1950 5.6145 Acres
- Property Acquired from State Road Comm. in 1972 2.3533 Acres

