
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: April 7, 2009

SUBJECT: The Leonardo

- Briefing – Public Benefits Study
- Council Action Required – Adopt the conclusions of the study and set the date for Public Hearing

STAFF REPORT BY: Karen Halladay, Budget and Public Policy Analyst

AFFECTED COUNCIL DISTRICTS: All

ADMINISTRATIVE CONTACT PERSON: **KAY CHRISTENSEN**

NOTICE REQUIREMENTS: Advertising – Notice of Public Hearing – 14 Days

Salt Lake City is in the process of negotiating a lease agreement with The Library Square Foundation for Art, Culture, and Science, currently known and referred to as The Leonardo. The Administration has a signed Memorandum of Understanding (MOU) which documents the lease Parties' understanding of the terms and conditions. (Details of The Leonardo lease agreement and MOU are included in a separate staff report, which is dated April 7, 2009.) The Administration is proposing an annual rental fee of \$12 per year for a period of twenty (20) years. According to the MOU, the term may be extended for three (3) additional 10-year periods.

The proposed rental rate is below current market rates, and according to the Utah Code Annotated (UCA) Section 10-8-2 a study and public hearing needs to be conducted to determine whether or not it is in the public's best interest to make such an offer to The Leonardo. UCA 10-8-2 states the purposes and the factors that must be considered when a municipal body appropriates funds. The Administration has conducted a Public Benefit Study to determine whether the lease rate offered to The Leonardo is in compliance with UCA Section 10-8-2. The study considered the following factors:

1. Specific tangible and intangible benefits to be received by the City in return for the lease arrangement.
2. City's purpose in offering a below market rate to The Leonardo (in effect an appropriation). The analysis addresses how the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of the Salt Lake City residents will be enhanced.
3. Determination of whether the appropriation is "necessary and appropriate" to accomplish the reasonable goals and objectives of the City, including economic development, job creation, affordable housing, blight elimination, job preservation, historic building preservation, and any other public purpose.

The attached study was prepared by the Administration. Provided the study's conclusions are acceptable to the City Council, the study will be available for review in the City Recorder's Office. Details regarding the above factors of the study are included after the Potential Motions section of this report.

POTENTIAL MOTIONS ON COUNCIL ACTION ITEMS:

April 7, 2009 - ["I move that the Council" set the date of May 5, 2009 as the date of the Public Benefit Hearing.

May 5, 2009 - Public Benefit Study Resolution

1. ["I move that the Council"] adopt the conclusions set forth in the Study, and hereby finds and determines that, for all the reasons set forth in the Study, (a) the net value, both tangible and intangible, to be received by the City will constitute adequate consideration, or equivalent value, for the benefit being provided by the Lease, and (b) the Lease will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the City.

OR

2. ["I move that the Council"] Not adopt the resolution.

KEY ELEMENTS:

- **Study Factor - 1** - Identify specific tangible and intangible benefits to be received by the City in return for the lease arrangement.
 - **Tangible Benefits**
 - Old Main Library Building - Capital Improvements of \$10 - \$12 million will be made to a City building that currently has limited use as a public building or a facility that could be leased to non-City entities due to necessary repairs, upgrades, and improvements, including seismic and asbestos removal. Voter-approved General Obligation Bond proceeds of \$10,200,000 will be used to finance the renovation, improvements and preservation this City facility. These repairs, upgrades, and improvements would be necessary whether or not The Leonardo and City enter into a lease agreement. Furthermore, these bond proceeds could not be used for an entity that is not a science, culture, art, and education center. The Special Bond Election on November 4, 2003 stated the above purpose for the use of the bond proceeds.
 - Alternative Uses of Old Main Library Building - The study prepared by the Administration estimates that approximately \$800,000 of lease income could be collected annually by the City, if the facility was 100% leased. The study used recent Salt Lake City Class C market rates, \$8-\$9/square foot for three floors, in projecting rental income calculations. These market rates were adjusted for the sub-floor space to \$6.25/square foot. Current market conditions, including square footage rates and vacancy rates, may result in lower annual rental income. In addition, the City would have to find other sources of income to make the repairs, upgrades, and tenant improvements, since the \$10,200,000 would not be available if a science, culture, and art center is not located in the Old Main Library Building.
 - Economic Benefit to Salt Lake City - Recently, The Leonardo hosted *Body World's 3: The Story of the Heart (Body Worlds)* at the Old Main Library. During the four (4) month exhibit, 290,000 guests attended the show. In addition to City residents, many others from Utah and surrounding states attended the

event. Nearby restaurants reported increases in their business. The Salt Lake City Library reported increases in parking revenue, items checked out by patrons, and number of new library cards issued. According to the study, The Leonardo organization paid \$1.7 million to local contractors, employees, consultants, vendors, and others involved in hosting the *Body Worlds* exhibit in Salt Lake City. The Body Worlds organization paid another \$450,000 to local advertisers, promoters, designers, printers, and other suppliers of marketing materials.

- **Intangible Benefits**
 - **Enrichment and Educational Experiences** – *Body Worlds* event attendees, including many students and educators, were able to learn about the body and how it functions in an unusual manner. Community volunteers – students, medical and health professionals, and others - contributed over 8,000 hours while the exhibit was in Salt Lake City. The Leonardo programming plan involves interactive, hands-on learning with exhibits from The Exploratorium, a science museum. In addition, The Leonardo’s programming plans include hosting “blockbuster” exhibits every other year.
 - **Science, Math, and Technology Leader** – According to the study, the State of Utah’s economic and development strategy is based in technology, which is dependent on a science and mathematics literate workforce. The Leonardo project can provide experiences that may engage and encourage students to pursue careers in science, math, and technology. In addition, local, national, and international industry and academic professionals attend and/or participate in events at science, culture and art centers providing additional exposure and enrichment opportunities.
- **Study Factor - 2** – Determine the City’s purpose in offering a below market rate to The Leonardo (in effect an appropriation). The analysis addresses how the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of the Salt Lake City residents will be enhanced.
 - **Family Friendly Education and Entertainment Option** – Intended audiences for The Leonardo are adult learners and families with children older than ten (10) years of age. Interactive exhibits, hands-on learning beyond the classroom, and learning about local science and technology companies are an informal way to learn and become interested in science, math, and technology careers.
 - **Library Square** – According to the study, The Leonardo and the Salt Lake City Public Library will complete the vision of Library Square, a civic center that enhances downtown and helps trigger urban development.
 - **Economic and Educational Benefits** – During the *Body Worlds* exhibit, 26,000 students experienced the event while on school field trips. Twenty-seven (27) schools from other states, including California, Wyoming, Idaho, and Colorado, toured the exhibit – many stayed in Salt Lake City hotels, shopped, and dined during their visit.
- **Study Factor - 3** - Determine whether the appropriation is “necessary and appropriate” to accomplish the reasonable goals and objectives of the City, including economic development, job creation, affordable housing, blight elimination, job preservation, historic building preservation, and any other public purpose.

According to the Administration, The Leonardo can contribute to each of the following:

- Salt Lake City Strategic Plan - The mission of Salt Lake City Corporation is “to make Salt Lake City the best place to live, work, play, visit, and to do business.”
- Performance Measurement Tool - Balanced Scorecard - When establishing department and division goals, measures and targets the following are areas of focus for the City
 - Community Building
 - Revitalization of Downtown and Neighborhoods
 - Economic Development
 - Improve Quality of Life
- Mayor Becker’s Administrative Goals
 - Greater cooperation between Salt Lake City School District and Salt Lake City
 - Community involvement in fostering a safe and welcoming urban environment
 - Enhance the excitement in the City created by the cultural arts

RICHARD GRAHAM
PUBLIC SERVICES DIRECTOR

SALT LAKE CITY CORPORATION

DEPARTMENT OF PUBLIC SERVICES
DIRECTORS OFFICE

RALPH BECKER
MAYOR

CITY COUNCIL TRANSMITTAL



David Everitt, Chief of Staff




Date Received:

Date sent to the Council: 3/17/2009

TO: Salt Lake City Council
Carlton Christensen, Chair

DATE: March 17, 2009

FROM: Rick Graham, Director 
Public Services Department

SUBJECT: Public Benefit Study – Utah Code 10-8-2
Library Square Foundation for Art, Culture and Science – The Leonardo

STAFF CONTACT: Kay Christensen 535-7677

DOCUMENT TYPE: Briefing

RECOMMENDATION: That the City Council adopt the conclusions set forth in the Study.

BUDGET IMPACT: No Impact.

BACKGROUND/DISCUSSION: See the attached Memorandum prepared by Kay Christensen.

PUBLIC PROCESS: A public hearing will be held at a future date set by the City Council.

MEMORANDUM

TO: David Everitt
Chief of Staff

FROM: Kay Christensen

DATE: February 20, 2009

SUBJECT: Lease of the Old City Library to The Leonardo for \$12 a
Year: Study to Comply with Utah Code Annotated
Section 10-8-2

It is recommended that Salt Lake City should enter into a lease agreement to lease the old city library to The Leonardo to provide a science, culture and art education center for a fee of approximately \$12 a year. To assure that such a lease agreement would be in compliance with UCA 10-8-2, the following study has been performed. UCA 10-8-2 states the purposes for which a municipal body may appropriate funds (or in this case, offer a nominal, below market rent) and the factors that must be considered in determining the propriety of such an appropriation. This study will consider the following factors:

- (1) The specific benefits (including intangible benefits) to be received by the City in return for the arrangement;
- (2) The City's purpose in making the appropriation, including an analysis of how the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of the residents of Salt Lake City will be enhanced; and
- (3) Whether the appropriation is "necessary and appropriate" to accomplish the reasonable goals and objectives of the City in the area of economic development, job creation, affordable housing, blight elimination, job preservation, the preservation of historic structures and property, and any other public purpose.

Background: The old city library was built in 1962 and served as the main library for the City until the new facility was opened in early 2003.

In November 1996, the engineering firm of Allen & Bailey performed a building feasibility analysis and indicated that the building did not comply with current seismic requirements. The Main Library Feasibility Analysis identified other potential deficiencies associated with the building and none of the deficiencies have been mitigated to date.

In January, 2000, the Redevelopment Agency sent out 750 requests for Letters of Interest (RLIs) to non-profit agencies and cultural groups throughout the Salt Lake City area. The RLIs outlined the approved parameters for the re-use of the old library building. Those approved parameters were:

- The re-use should provide for continued public use of the building.
- The City will lease the building to the re-use entities. A nominal rent will be charged to those entities which are non-profit and providing a public use of the building.
- The City will maintain the remainder of the public areas on the block.
- The re-use of the building does not include any rights to parking on the block or on the adjacent public streets, although the public visiting the old library building can make use of the public parking to be provided on the block by the City.
- The City will retain use of those unfinished underground portions of the building that are not utilized by the selected re-use entities. Re-use entities shall identify which portions of the building will be needed for their operations and storage needs.
- Preference will be given to proposals involving multiple re-use entities.

At the completion of the review and selection process, the entity selected for the building re-use agreement with the City was The Library Square Foundation for Arts, Culture, and Science (“The Leonardo”).

The Leonardo was established January 10, 2002. By August of 2003, the City Administration and the City Council had decided to advance the matter of issuing and selling General Obligation Bonds to finance the renovation, improvements and preservation of the old main library to the qualified electors of the City with the following stipulation: “Private donations of \$10

million in matching funds will be obtained by the prospective tenants before issuance of the City bonds. These funds may be comprised of Federal, State, and County funds, as well as private, corporate, and foundation contributions.”

The *Special Bond Election November 4, 2003* voter information guide provides the additional details regarding proposition #2:

PURPOSE:

- To renovate, improve, and preserve the old, city-owned Main Library building to house a science, culture, art, and education center, known as “The Leonardo at Library Square”.
- To make way for Utah’s first interactive science and technology center, arts education programming for youth, a documentary arts center that honors Utah’s heritage and diverse cultures, a charter school, and dedicated space for the Center for Community and Culture.

DETAILS:

- Project is sponsored by The Leonardo Foundation, a non-profit, 501(c) (3) partnership among The Center for Documentary Arts, Utah Science Center, and Salt Lake City’s Global Artways program.
- The Leonardo Facility will consist of approximately 30,000 square feet of exhibit space, a gift shop, performance theaters, multimedia studios, science labs, a darkroom, a reception area, and conference rooms.
- The Leonardo is committed to raising matching funds of \$10 million for the project.

On November 4, 2003, City Proposition 2 passed. During the next five years the City and The Leonardo had a very difficult time agreeing on a building renovation scope, as well as a feasible and achievable programming scope and operating budget for The Leonardo.

Finally, in August 2008, Salt Lake City Corporation and The Leonardo entered into a Memorandum of Understanding (MOU) regarding The Old Main Library on Library Square in an attempt to rectify the issues and determine if the City should, indeed, issue and sell the General Obligation Bonds and allow The Leonardo to move forward.

Under the terms of the MOU, The Leonardo and the City agreed to cooperate to accomplish the following in a timely manner:

- a. Agree on the assumptions associated with The Leonardo's intended use of the old main library – in order to facilitate effective review of building design and construction;
- b. Develop and evaluate a building construction plan consistent with the use assumptions;
- c. Assure Silver LEED requirements are included in the project design;
- d. Confirm The Leonardo's bond match;
- e. Assess and evaluate The Leonardo's business plan and business viability;
- f. Develop project timelines and regular project reports; and
- g. Develop lease terms for The Leonardo's use of the old main library.
- h. The City agrees to review means to reimburse The Leonardo for architectural fees paid to date by The Leonardo.

On February 10, 2009 the City Council agreed by straw poll to issue the bonds and allow The Leonardo to move forward. The Council must still take a formal vote to issue the bonds.

The Leonardo has completed a renovation schedule which puts the opening of the Leonardo at July 2010. In order to meet this schedule, the Leonardo must raise an additional \$5 million necessary to meet on-going expenses and implement the initial programming elements and exhibition commitments necessary to open The Leonardo.

Benefits and Costs to Salt Lake City:

The only issue regarding The Leonardo that requires a study to comply with Utah Code Annotated Section 10-8-2 is the intent to charge only a nominal lease fee of approximately \$12 a year. To properly evaluate the costs and benefits to the City of charging such a nominal fee for leasing the old library building to The Leonardo, it is necessary to consider the City's alternatives.

If Salt Lake City chose not to lease the old city library to The Leonardo, the City would still own the building, an old building in need of approximately \$10-\$12 million in repairs before it could be put back in use by the City or leased to another entity. Based on the terms of the bond election, the City would not be able to issue the bonds to cover \$10.2 million worth of

renovations unless a similar science, cultural and art education center could be found to take its place.

The City could choose to find other sources to pay for the upgrades and repairs the building requires and then choose to use the building for City purposes or, in the alternative, seek a market rate lease arrangement. The old library building consists of three 20,000 square feet Class C office space floors and two 20,000 square feet sub-floors. The 60,000 square feet of Class C office space could be leased at a triple-net lease rate of \$8-\$9 a square foot (a total of approximately \$540,000 a year), while the 40,000 feet of sub-floor space could be leased at a rate of \$6.25 a square foot, for a total of \$250,000 a year. Therefore, if the City were able to lease the entire building at market rates, it could expect revenue of approximately \$800,000 a year. The rental rate figures above are the latest available in the Salt Lake City market, but recent downward trends in the value of real estate could result in a decrease in the average lease rate for Class C office space and the sub-floor space.

If and when a final lease agreement is signed between Salt Lake City Corporation and The Leonardo, the document will make clear that Salt Lake City Corporation owns the building in fee simple and is leasing use of the building to The Leonardo. All of the seismic improvements as well as improvements to the building paid for with bond funds will accrue to the building and to the benefit of Salt Lake City Corporation. The lease agreement will detail rights, responsibilities, length of the lease, lease rates and other terms and conditions.

To determine the benefits the City would receive if it leases the building to The Leonardo, it is necessary to consider the impact of the proposed program plan for The Leonardo, which is to provide an informal science facility in Salt Lake City, supporting science education in Utah and the region.

The recent exhibit of *Body World's 3: The Story of the Heart* (Body Worlds) offers an opportunity to examine the potential impact of The Leonardo on the economy of Salt Lake City, as well as its impact on the intangible well-being of the City's residents.

Body Worlds opened at Library Square on Sept. 19th, 2008 and sold over 290,000 tickets during its 4 months of operation. When the exhibit opened,

attendance was approximately 2,300 per day and during the final days attendance was sold out at 5,500 visitors per day. According to the Leonardo's data, over 26,000 students toured the Body World's exhibit, and many schools from outside the State of Utah, including California, Wyoming, Idaho and Colorado sent students and chaperones to Salt Lake City to see Body Worlds. Although quantifiable economic impact data is not yet available, the boost to Salt Lake City's economic base and image was substantial.

Leonardo Community Investment

As host and operator of Body Worlds, The Leonardo invested approximately \$1.7 million in the local community. This includes monies paid to contractors, employees (a total of 140 paid staff) and consultants, local vendors, and other organizations that worked on the exhibition. In addition to the money invested directly by The Leonardo, Body Worlds invested an additional \$450,000 locally in paid advertising, promotions, design, printing, and other marketing materials and activities.

Volunteers

The Leonardo recruited, trained and utilized over 450 community members as volunteers, including students, medical and health professionals, and laypeople. These volunteers donated 8,000+ hours of their time over the four-month period.

Media Exposure

The Leonardo, Library Square and Salt Lake City received extensive exposure via local and regional media reports about the exhibition, including approximately 75 print and 30 television stories.

Tickets Sold

While most of the 290,000 tickets to Body Worlds were purchased by Utah residents, visitors from surrounding states like Idaho and Wyoming, also bought a significant number of tickets. In addition, The Leonardo sold Body Worlds tickets to visitors from every single state in the nation.

Restaurants

Restaurants nearby The Leonardo reported increased business. Les Madeleines, Thai Lotus and Cannella's have all written letters expressing the positive impact The Leonardo had on their business during the four-month exhibition run. Despite the down economy, these local merchants reported

an increase of up to 30 percent in business activity between September and January.

Library

The library also saw significant increases in both the number of items checked out and the number of new cards issued. Some of the increases can be attributed to the depressed economy, but library representatives say that at least a portion of the increases are attributable to additional traffic from the exhibition.

Library Parking

The underground parking garage in Library Square saw a dramatic increase in traffic during Body Worlds:

Month	2007	2008	% Change
August	12,323	9,230	-25.1
September	11,573	12,744	10.1
October	13,149	15,824	20.3
November	10,064	11,219	11.5
December	7,510	9,915	32.0

Library Parking: Revenue Increases

Month	2007	2008	% Change
August	-\$6,007.59	-\$4,509.16	24.9
September	-\$2,765.71	\$4,436.91	260.4
October	\$341.45	\$11,117.84	3156.1
November	-\$598.63	\$6,526.77	1190.3
December	-\$4,170.86	n/a	n/a

Street Meter Parking: A simple visual survey of the street parking situation around Library Square between Sept. 19 and Jan. 11 indicated a dramatic increase in usage. While meters were not running during part of this time period due to the free holiday parking program offered by Salt Lake City, The Leonardo anticipates that City data will show a measurable increase in both meter fees and ticket revenues during the exhibition’s run.

Salt Lake City’s Purposes and Enhancing the Quality of Life for Residents:

The intended audiences for this facility are adult learners and families with children 10 years of age or older. The state's economic development strategy is based in large part on technology, and dependant on a science and mathematics literate workforce. To achieve this goal there is a desire to focus on learning beyond the classroom and showcase local industries. The Leonardo's approach to informal science education will differ greatly from any other organization currently serving the population of Salt Lake City or the State of Utah.

The opportunities that The Leonardo provides can help stimulate and enhance Salt Lake City's tax base as well as the City's image as a progressive and innovative place for commerce and learning. Together with the Salt Lake City Public Library, The Leonardo will complete the vision of Library Square as a civic center that enhances downtown Salt Lake City and helps trigger urban development in the surrounding area.

The Leonardo business plans calls for a major exhibit such as Body Worlds every other year, but The Leonardo will have an ongoing mix of interactive exhibits, workshop spaces and art installations. The interactive exhibits will be leased from the Exploratorium, a leading science center whose exhibits are typical of the industry with a proven track record of audience appeal. Consultants expect the average attendance at The Leonardo to be approximately 200,000 a year. However, the success of Body Worlds has highlighted the Leonardo's opportunity to "bring the world to Salt Lake City," reinforcing Salt Lake City's image as a city that offers the cultural and educational amenities and opportunities of a large and vital metropolitan area.

In connection with Body Worlds, The Leonardo hosted over 100 private and public events that exposed the museum and city to over 13,000 visitors. Private functions attracted high-level professionals from around the region and world in the fields of medicine, technology, science, publishing and education. These events also involved additional investment in the community via outside vendors like caterers, florists, musicians, and rental companies. Highlights include a VIP preview event, which attracted almost 1,000 business, political and community leaders, and a University Health Care event that brought 5,000 visitors over two days.

The Leonardo partnered with several art, science and health groups to offer

dozens of public events, ranging from hands-on science, story recording, and dance workshops, to films, public forums, and play readings. The Leonardo was also a First Night venue on New Year's Eve.

More than 26,000 students ranging from kindergarteners to high school seniors came to The Leonardo on field trips. Many schools from outside the Wasatch Front, and 27 schools from other states, including California, Wyoming, Idaho and Colorado, brought students on fieldtrips to The Leonardo. Several stayed overnight in Salt Lake City, shopped in local stores, ate in restaurants and stayed in hotels.

As people throughout the region came to The Leonardo to see Body Worlds, they helped create a more vibrant capital city with positive effects extending beyond the boundaries of Library Square.

The Body Worlds exhibit was extraordinary, but the reception it received is an indication that Salt Lake City is ready for such opportunities on an ongoing basis and the economic, cultural and educational benefits it provided can be replicated.

Accomplishing Salt Lake City's Goals:

Salt Lake City's Strategic Plan states that the mission of Salt Lake City Corporation is "to make Salt Lake City the best place to live, work, play, visit and to do business." The City has adopted a performance measurement tool called the Balanced Scorecard to assist the City in articulating strategic goals, measures and targets for all departments and divisions within the City. The major focus areas include, community building, revitalization of the downtown and neighborhoods, economic development and improving the quality of life. In addition, the Becker Administration has articulated similar goals, including greater cooperation between the City and the Salt Lake City School District, greater involvement of the community in fostering a safe and welcoming urban environment, and an effort to enhance the excitement in the City created by the cultural arts. All of these goals would be positively impacted by the addition of The Leonardo to Library Square.

CONCLUSION: As stated, this study is conducted to meet the requirements of Utah Code Section 10-8-2 which states the purposes for which a municipal body may appropriate public funds. In this case, the issue is the intent to charge a nominal rent for the lease of the old City library to The Leonardo. The potential loss of revenue could be as much as \$800,000 a

year if the building were fully leased at market rates, but that could not happen without significant costly upgrades to the building. The offsetting benefits the City will receive from the presence of The Leonardo are both tangible and intangible and have been described in this study. As stated above, as host and operator of Body Worlds, The Leonardo invested approximately \$1.7 million in the local community, and another \$450,000 was invested by Body Worlds. Considering that statistic alone, The Leonardo, in just four months, was responsible for more than twice the amount the City could realize from a market rate lease in a year. Therefore, it is the conclusion of this study that the City will receive adequate consideration for the potential annual loss of rental revenue if the City enters a nominal fee lease arrangement with The Leonardo.

REFERENCES

A New Way Forward, Gyroscope, Inc., 283 Fourth Street, Suite 201, Oakland, California

Commerce CRG Mid-Year 2008 Market Review, reported by Valda Tabet, Deputy Director, RDA

Leonardo Interim Report, January 26, 2009, Decatur and Company, LLC, 770 Gilpin Street, Denver, Colorado 80206

Leonardo Leadership Team Transmittal to the Salt Lake City Council, December 22, 2008

To meet the law's requirements, this study has been available in the City Recorder's Office, Room 415, City & County Building, 451 South State Street since _____, 2009. The City Council will hold a public hearing on whether to adopt a resolution approving the proposed study. The public hearing will be held _____.

RESOLUTION NO. _____ OF 2009

Adopting the conclusions of a study performed under Utah Code Section 10-8-2(3), and making findings regarding value and public benefit, with respect to a lease agreement between the City and The Library Square Foundation for Art, Culture and Science relating to the former main City library building

WHEREAS, Salt Lake City Corporation (the "City") currently owns the old library building located at 209 East 500 South in Salt Lake City, Utah (the "Building"), and the City contemplates leasing the Building to The Library Square Foundation for Art, Culture and Science (the "Foundation") pursuant to a lease agreement (the "Lease"); and

WHEREAS, the City contemplates that the rent it will charge to the Foundation under the Lease will be twelve dollars (\$12) per year, which the City understands is less than the fair rental value of the Building; and

WHEREAS, pursuant to the requirements of Utah Code Section 10-8-2(3), a study (the "Study") has been performed setting forth an analysis and demonstrating the purpose for the City entering into the Lease at the below-market rental rate; and

WHEREAS, the City Council has, following the giving of not less than fourteen (14) days public notice, conducted a public hearing relating to the foregoing, in satisfaction of the requirements of Utah Code Section 10-8-2(3); and

WHEREAS, the Council has reviewed the Study, and has fully considered the analysis and conclusions set forth therein, and all comments made during the public hearing;

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

1. The City Council hereby adopts the conclusions set forth in the Study, and hereby finds and determines that, for all the reasons set forth in the Study, (a) the net value, both tangible and intangible, to be received by the City will constitute adequate consideration, or equivalent value, for the benefit being provided by the Lease, and (b) the Lease will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the City.

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

_____, 2009.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST:

DEPUTY CITY RECORDER

APPROVED AS TO FORM:

SENIOR CITY ATTORNEY

HB_ATTU-#7385-v1-10-8-2_study_resolution_Leonardo_Doug_Short.DOC

NOTICE

Notice is hereby given by Salt Lake City Corporation (the "City") pursuant to Utah Code §10-8-2, that a study has been completed and a public hearing scheduled regarding a proposed lease of the old main city library located at 209 East 500 South (the "Lease") by the City for \$12 per year to The Library Square Foundation for Art, Culture and Science in connection with the Leonardo project.

The study is available for public inspection at the office of the _____, Room ___, City & County Building, 451 South State Street, Salt Lake City, Utah during regular business hours.

A public hearing will be held before the City Council of the City at 7:00 p.m. on Tuesday, March __, 2009 at the City Council Chambers, Third Floor, City & County Building, 451 South State Street, Salt Lake City, Utah at which time the City Council will, in considering a resolution adopting the conclusions of the study and making findings regarding value and public benefit with respect to the Lease, accept public comment and determine:

1. Whether, in the judgment of the City Council, the Grant will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of Salt Lake City; and
2. Whether the net value to be received by the City will constitute adequate consideration, or equivalent value, for the benefit being provided by the Lease.

Publish: March __, 2009
[C5357671L07]
Sent to NAC 3-__-09