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# MEMORANDUM

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**DATE:** September 8, 2009  
**TO:** City Council Members  
**FROM:** Jennifer Bruno, Deputy Director  
**RE:** Regional Sports Complex – Authorization to finalize State Land Transfer and engage in negotiations to purchase adjacent private property

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## KEY ELEMENTS

- A. The Administration has prepared a briefing for the Council in order to straw poll support of an upcoming budget amendment request, in order to expedite the negotiations for both the transfer of 160 acres of State land to the City (\$500,000), and for the purchase of adjacent private property (\$2 million) not immediately related to the cooperative agreement with the state. This property is shown in the map provided by the Administration.
1. The State Parks Advisory Board has approved the Cooperative Agreement between the City and the State, which outlines the terms of the deal for the state's 160 acres. Once the City can approve the deal, the transfer will become final. The Administration and State could finalize this transfer as soon as September 10, 2009, depending on straw poll from the Council.
    - i. The 160 acres is currently valued at \$500,000 (*approximately 7 cents/square foot*). The City is not required to compensate the state for this land until the end of a 5 year period.
    - ii. The terms of the deal allow the City to provide "in-kind" compensation (include elements in the project or purchase land that is desirable and/or advantageous for the State development to the north) in order to reduce the purchase amount.
    - iii. The City has identified a minimum of \$336,600 in elements that the City would pursue regardless, that could be counted against the cost of the land transfer, bringing the price for the State land down to \$163,400 (*approximately 2 cents/square foot*).
  2. The Administration would also like to move forward in negotiations with certain adjacent properties, in order to provide the opportunity to phase in full development of the Regional Sports complex. In order to do this, the Administration is requesting an additional appropriation of \$2 million from the surplus land account.
    - i. The Council may wish to note that in order to complete Phase 2 of the plan, adjacent properties would need to be purchased.
    - ii. These properties are not necessary for Phase 1 of the plan.
    - iii. Funds to finance Phase 2 of the plan (approximately \$16 million) have not been identified.

- iv. Council Staff has inquired with the Administration if this part of the request can be held over to the budget amendment discussion on September 22<sup>nd</sup>, so the larger request can be considered in context with the rest of the budget (**See Matters at Issue C**).
- B. The current balance of the surplus land account is approximately \$7.3 million. Assuming certain City land sales go through, the balance of the surplus land account after this allocation would be \$5.3 million.

## **BACKGROUND AND PROJECT ELEMENTS/PHASING**

- A. In November 2003, Salt Lake City voters approved a general obligation bond to support \$15.3 million for a “Regional Sports, Recreation and Education Complex.” The bond issuance was contingent upon receipt of \$7.5 million in matching funds. These funds could be raised from private organizations or other government entities. The Council indicated however, that the match must be in hand or “pledges satisfactory to the City” before bonds can be issued. Since then, Real Salt Lake has pledged \$7.5 million to contribute to this project, as the matching funds.
- B. The project is separated into two phases (see attached map). The \$22.8 million Phase 1 (funded with the bond and Real Salt Lake contribution) includes:
  - 1. 1,300 Parking Spaces
  - 2. 2 “Comfort Stations” (restrooms and concessions)
  - 3. 12 Soccer Fields (natural turf)
  - 4. 2 Baseball Fields
  - 5. Irrigation and landscaping, including irrigation pond
  - 6. Maintenance Facility
  - 7. Nature corridor and trail development along the Jordan River
- C. Full build out of the facility according to the attached master plan (an additional \$16.2 million) would add:
  - 1. 6 Soccer Fields (including potential championship stadium)
  - 2. 2 Baseball Fields
  - 3. 4 Softball Fields
  - 4. Additional parking
- D. The total cost of a fully-built facility is approximately \$39 million.
- E. Currently the entrance to the facility would be off of I-215 (east of the complex). The Master Plan calls for an eventual entrance off of Redwood Road at “Sports Park Boulevard,” which would be funded through other sources at some point in the future, potentially in Phase 2, as budget allows.

## **MATTERS AT ISSUE**

- A. The Council may wish to ask the Administration for a status update regarding the surplus land account, given other property acquisition plans in the City.
- B. The Council may wish to ask the Administration for a status update regarding the future management plan and business model of the Regional Sports Complex once open.

- C. The Council may wish to consider only straw polling the first part of the request, relating to the State Land Transfer, as that is time sensitive. Because the second part of the request relates to properties that would be needed only for Phase 2 of the overall project, the Council may have flexibility in terms of timing of a budget appropriation. Council Staff is confirming these timing needs with the Administration.

### **STRAW POLL**

The Council may wish to straw poll the following items:

- Does the Council support the upcoming budget amendment request of up to \$500,000 from the surplus land account for the execution of the land transfer agreement with the state?
- Does the Council support the remainder of the upcoming budget amendment (\$2,000,000 from the surplus land account) for the administration to use in negotiations to purchase adjacent private property?

**SALT LAKE CITY CORPORATION**  
DEPARTMENT OF PUBLIC SERVICES  
DIRECTORS OFFICE

**COUNCIL TRANSMITTAL**

*David Everitt - Designee*  
David Everitt, Chief of Staff

Date Received \_\_\_\_\_  
Date Sent to Council 08/28/2009



**TO:** Salt Lake City Council  
Carlton Christensen, Chair

**DATE:** August 27, 2009

**FROM:** Rick Graham, Director of Public Services *RG*

**SUBJECT:** Salt Lake Regional Sports Complex – Authorization to finalize the State land transfer Cooperative Agreement and to engage in negotiations to purchase private property.

**STAFF CONTACT:** Rick Graham, Director  
Public Services Department  
801 – 535-7774

**DOCUMENT TYPE:** Briefing Material

**RECOMMENDATION:** (1) That the City Council support the Administration's intention to enter into a Cooperative Agreement that transfers fee title to State land to Salt Lake City for the purpose of developing the Regional Sports Complex; and (2) that the City Council pre-authorize, through straw vote, funds from the Surplus Land Fund to be used by the Administration to negotiate the purchase of private property needed to fully develop the Sports Complex. (This funding issue will come to the Council for final approval in Budget Amendment #1.).

**BUDGET IMPACT:** Approximately \$2,400,000, based on land appraisals and market comparisons. Budget impact will change based on final appraisals and negotiations with willing property owners.

**BACKGROUND/DISCUSSION:** In November 2003 Salt Lake City residents approved the issuance of \$15.3 million in bonds for the design and development of a Regional Sports Complex. In 2005 the City and the Division of State Parks and Recreation entered into a Memorandum of Understanding that would result in the State transferring approximately 190 acres of property to the City for the purpose of developing the sports complex. The City and the State have negotiated and agreed to the

terms of a Cooperative Agreement that will transfer fee title to approximately 160 acres of property located in the northwest quadrant of Salt Lake City along the Jordan River between I-215 and Redwood Road. The State Parks Advisory Board has approved the Cooperative Agreement and authorized the State Parks Director to finalize the deal. The City and State would like to finalize the Agreement on September 10, 2009. Acquiring the property allows the City to move ahead with its effort to finalize a development plan, complete construction drawings and construct the project.

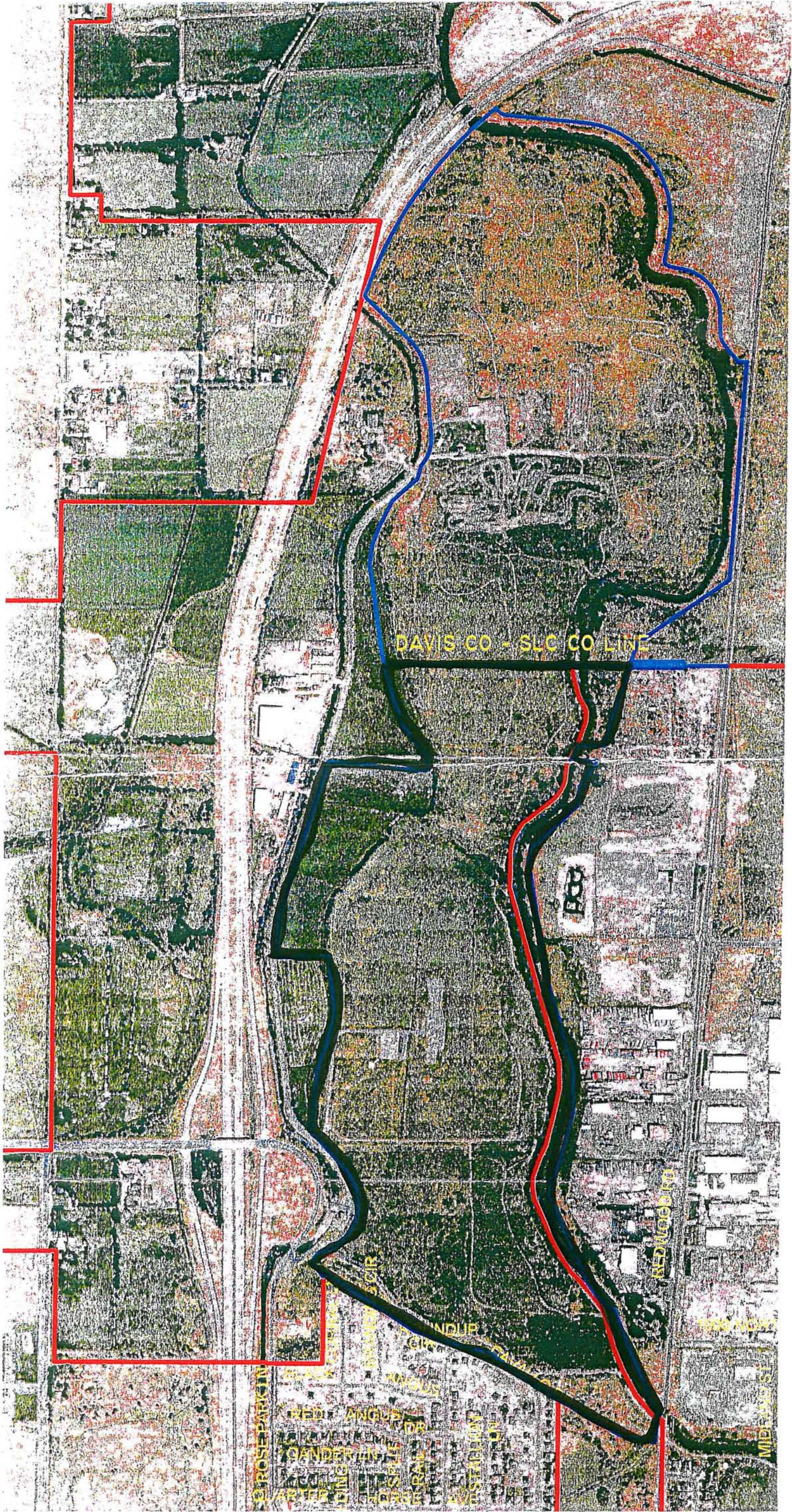
The Cooperative Agreement sets the value of State property at \$500,000. Under the Agreement the City will be obligated to compensate the State for the full value less allowable in-kind compensation that the City may make over a five (5) year period following the execution of the Agreement. At the current time the Administration believes that it will easily produce \$336,600 in "in-kind" compensation that will satisfy a large portion of the financial obligation to the State. Furthermore, as design development continues the City believes that additional compensation opportunities will be discovered. It is important to note that by entering into the Agreement the City may end up owing the State the unsatisfied value of the property at the end of five (5) years.

In addition to the State property the Administration proposes acquiring private property adjacent to State property if the property owners are willing to sell and if a negotiation is successful. The Administration has identified several potential parcels that if acquired would benefit the scope of the project. Based on some appraisal work commissioned by the City, and comparable market analysis when appraisals do not currently exist, the Administration estimates the value of the private parcels to be \$2,230,000. Currently funds are not appropriated for land acquisition. The City's Property Division cannot advance meaningful purchase offer discussion and negotiations without authorized funding in place.

Funds totaling \$2,500,000 have been identified in the Surplus Land Fund that may be used for the land acquisition needs of the Sports Complex. The upcoming Budget Amendment #1 will include a recommendation to authorize the expenditure of surplus land funds for property needs of the Sports Complex. Since the Administration is asking the Council to support the transfer of State land it believes that it is appropriate to bundle all the property needs of the project into one discussion since all the property is needed to design a project scope that meets the original intent of the bond initiative. The Administration would like the Council to pre-authorize the expenditure of Surplus Land Funds so that land acquisition work can move forward, subject to the Council approving final authorization in the Budget Amendment.

**PUBLIC PROCESS:** Not required.





# Northwest Study Area

1" = 650 '

 Park Boundary