

A. LOUIS ZUNGUZE
DIRECTOR

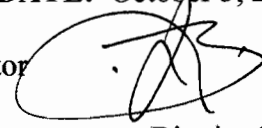
BRENT B. WILDE
DEPUTY DIRECTOR

SALT LAKE CITY CORPORATION
DEPT. OF COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR

OCT 04 2006
ROSS C. "ROCKY" ANDERSON
MAYOR

TRANSMITTED
OCT 04 2006
TO CITY COUNCIL

CITY COUNCIL TRANSMITTAL

TO: Rocky Fluhart, Chief Administrative Officer ^{Rocky} **DATE:** October 3, 2006
FROM: Louis Zunguze, Community Development Director 
RE: Notice of Intention to Create Central Business Improvement District (DA-CBID-06)
STAFF CONTACTS: Chris Shoop, Community & Economic Development Research Analyst, at 535-7103 or chris.shoop@slcgov.com
RECOMMENDATION: The City Council adopt Notice of Intention to create Central Business Improvement District (DA-CBID-06)
DOCUMENT TYPE: Resolution
BUDGET IMPACT: Funding for the District will be provided by property owner assessments. The anticipated three-year assessment for the District is approximately \$2.4 million.

DISCUSSION:

Issue Origin: The current Central Business Improvement District (DA-CBID-03) expires April 15, 2007. The Administration is proposing to recreate the District for the period for a three year period commencing April 15, 2007.

Analysis: Assessment funds would be used for economic development activities in Salt Lake City's downtown area. The current boundaries of the district are:

- North Temple, from State Street to 500 West
- 500 West, from North Temple to 400 South
- 400 South, from 500 West to 200 East
- 200 East, from 400 South to 100 South
- 100 South, from 200 East to State Street
- State Street, from 100 South to North Temple
- 200 South, from 200 East to 300 East

Parcels on the south side of 400 South, the north side of North Temple, and the west side of 500 West are not included. A map of the District is included as Attachment A.

By State law, properties that were not included in the initial Notice of Intention cannot be added to the District. However, properties can be deleted from the District at the Council's discretion.

The taxable value of the District in 2003 was approximately \$1.5 billion. At that time, the City Council approved an assessment rate of \$.001425, which was anticipated to generate revenue of \$716,000 annually over a three-year period. The 2006 taxable value of the District is nearly \$1.64 billion. If the same assessment rate were used, the revenue generated each year would be approximately \$779,000. For the upcoming three year-period, however, the Downtown Alliance is requesting \$800,000 annually to fund District activities and related costs, and the City is seeking \$5,000 to cover legal, publication, recording, postage, and other related expenses. In order to achieve the \$805,000 needed in each of the three years, the assessment rate must be increased slightly to \$.0014726949. The Administration recommends that the City Council approve the minimal increase as explained above.

District Management: As authorized in the management contract with the Downtown Alliance, the Administration has renewed the management contract with Downtown Alliance for the next three years.

PUBLIC PROCESS:

Should Council adopt the Notice of Intention as recommended (see Attachment B), copies will be mailed to all property owners within the boundaries of the proposed DA-CBID-06 with notice of an Open House. Written protests may then be filed, and a protest hearing scheduled by the City Council prior to adoption of a resolution creating the DA-CBID-06.

Should Council decide to recreate the District, the Council would then appoint a Board of Equalization, which may recommend adjusting the assessment rate higher or lower from that indicated in the Notice of Intention. Council then accepts or modifies the recommendation of the Board of Equalization prior to adoption of the assessment ordinance.

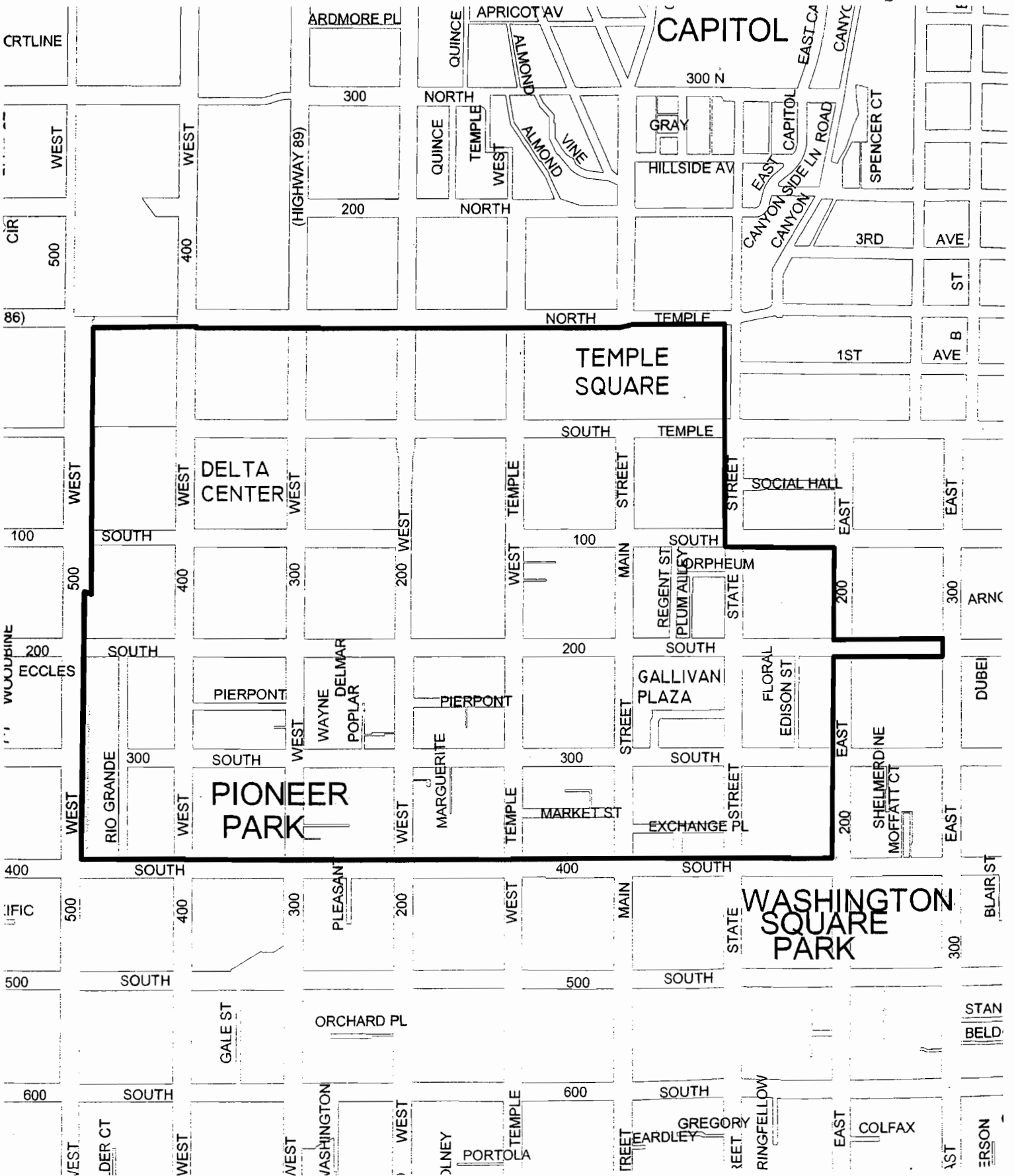
RELEVANT ORDINANCES:

3.12.010 Work Authorized By State Statutes-Assessments:

The city may, from time to time, proceed to make improvements within areas of the city, make assessments therefore, and issue interim warrants and bonds, pursuant to the Utah municipal improvement district act (section 10-16-1 et seq., Utah Code Annotated, 1953), or its successor, the Utah underground conversion of utilities law (section 54-8-1 et seq., Utah Code Annotated, 1953), or its successor, and other appropriate provisions of state or local law.

Attachment A: Map of Proposed District

CENTRAL BUSINESS IMPROVEMENT DISTRICT



**Attachment B: Proposed
Notice of Intention**

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SALT LAKE CITY CORPORATION

DEPT. OF COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR

ROSS C. "ROCKY" ANDERSON
MAYOR

October 23, 2006

RE: Special Improvement District No. DA-CBID-06

Dear Property Owner:

Enclosed you will find a copy of a Notice of Intention to create a three-year Downtown Economic Improvement District. Each property in the District will be assessed at the rate of \$.0014726949 of the property's assessed value. If approved, this District would fund a renewal of economic development activities in Downtown Salt Lake City.

Over the past 15 years, the funds generated by the District have been used for studying planning issues, promoting and marketing the Downtown area, advising the City on planning efforts to improve parking and transportation within the District, and generally promoting the area within the boundaries of the District. The Downtown Alliance manages the District.

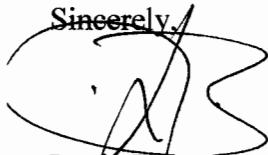
Approval of a special improvement district occurs unless owners of 50% of the aggregate taxable valuation of property in the district protest its creation. **If you wish to protest the creation of the above named District, you must submit a letter on or before 5:00 p.m., November 14, 2006, to:**

Salt Lake City Recorder's Office
451 South State St., Room 415
Salt Lake City, UT 84111

An informal informational meeting has been scheduled for Monday, November 6, 2006, from 5:30 p.m. to 7:00 p.m. in Room 315 of the City & County Building (451 South State Street). Representatives from Salt Lake City Corporation will be at the meeting to answer any questions you might have regarding the District.

Please call the Downtown Alliance at 359-5118 or Chris Shoop in Salt Lake City Corporation's Department of Community Development at 535-7103 if you have further questions.

Sincerely,



Louis Zunguze
Community Development Director

Original

Salt Lake City, Utah

October 10, 2006

A regular meeting of the City Council of Salt Lake City, Utah, was held on Tuesday, the 10th day of October, 2006, at the hour of 7:00 p.m. at the offices of the City Council at 451 South State Street, Salt Lake City, Utah, at which meeting there were present and answering to roll call the following members who constituted a quorum:

David L. Buhler	Chair
Van Blair Turner	Vice Chair
Søren Dahl Simonsen	Councilmember
Nancy Saxton	Councilmember
K. Eric Jergensen	Councilmember
Carlton Christensen	Councilmember
Jill Remington-Love	Councilmember

Also present:

Ross C. Anderson	Mayor
Edwin P. Rutan, II	City Attorney
	Deputy City Recorder

Absent:

Thereupon the following proceedings, among others, were duly had and taken:

The following resolution was introduced in writing, was read by title, and Councilmember _____ moved its adoption:

RESOLUTION NO. ___ of 2006

A RESOLUTION DECLARING THE INTENTION OF THE CITY COUNCIL OF SALT LAKE CITY, SALT LAKE COUNTY, STATE OF UTAH (THE "CITY"), TO CREATE SALT LAKE CITY, UTAH CENTRAL BUSINESS IMPROVEMENT DISTRICT NO. DA-CBID-06 (THE "DISTRICT") TO CONTINUE TO PROMOTE BUSINESS ACTIVITY AND ECONOMIC DEVELOPMENT IN AN AREA OF CENTRAL DOWNTOWN SALT LAKE CITY BY ASSESSING BENEFITED PROPERTIES WITHIN THE DISTRICT FOR THE COSTS OF SUCH ECONOMIC PROMOTION ACTIVITIES FOR A PERIOD OF THREE YEARS (THE "ASSESSMENTS"); TO NEGOTIATE A CONTRACT WITH THE DOWNTOWN ALLIANCE TO MANAGE THE DISTRICT; AND TO FIX A TIME AND PLACE FOR PROTESTS AGAINST THE DISTRICT AND ITS ASSESSMENTS, AND RELATED MATTERS.

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

Section 1. The City Council (the "City Council") of Salt Lake City, Salt Lake County, Utah (the "City"), hereby determines that it will be in the best interest of the City to continue to promote business, economic, and community development activities in the central business area of downtown Salt Lake City. The proposed activities are more specifically described hereafter, but generally will include, but will not be limited to, advertising, banners, special events and festivals, newsletters and publications, Christmas lighting, and special projects (the "Economic Promotion Activities") in the downtown area as described hereafter and more specifically identified on maps and plans on file in the Office of the City Recorder of Salt Lake City, Utah. In order to accomplish the Economic Promotion Activities, the City proposes to create Salt Lake City, Utah Central Business Improvement District No. DA-CBID-06 (the "District"), the areas of which are more particularly described in the Notice of Intention set out hereafter.

Section 2. A portion of the cost of the Economic Promotion Activities shall be paid by a special assessment (the "Assessment") to be levied against business and commercial properties situated within the District that are specially benefited by the Economic Promotion Activities. The Assessment may be paid when assessed or, at the option of the property owner, in three (3) annual installments with interest on any delinquent installment until paid.

Section 3. Written protests against the proposed assessments may be presented and filed in the Office of the City Recorder of Salt Lake City, Utah, on or before the 14th day of November, 2006, at the hour of 5:00 p.m. Thereafter, at 7:00 p.m., or as soon thereafter as the matter may be heard, on Tuesday, the 14th day of November, 2006, at the City Council Chambers at 451 South State Street in Salt Lake City, Utah, any protests or other comments shall be heard and considered by the City Council. The City Recorder is hereby directed to give notice of intention (the "Notice of Intention" or

“Notice”) to create the District to finance and support the Economic Promotion Activities. The Notice of Intention shall also specify the time within which protests against the proposed assessments may be filed and the date when protests and other comments will be heard and considered. Notice shall be given by publishing a Notice of Intention in the Deseret Morning News, a newspaper of general circulation in the City, said Notice to be published four times, once during each week for four consecutive weeks, the last publication to be not less than five (5) nor more than twenty (20) days prior to the time fixed in the Notice as the last day for the filing of protests. In addition, the City Recorder shall mail a copy of the Notice by United States Mail, postage prepaid, to each owner of land to be assessed within the District at the last known address of such owner, using for such purpose the names and addresses of said owners appearing on the last completed real property assessment rolls of Salt Lake City, Salt Lake County, Utah, and, in addition, a copy of the Notice shall be mailed, postage prepaid, addressed to “Owner” at the street number of each piece of improved property to be affected by the assessment, said Notices to be so mailed not later than ten (10) days after the first publication of the Notice of Intention. If a street number has not been so assigned, then the post office box, rural route number, or any other mailing address of the improved property shall be used for the mailing of the Notice. Said Notice of Intention shall be in substantially the following form:

NOTICE OF INTENTION

PUBLIC NOTICE IS HEREBY GIVEN that on the 10th day of October, 2006, the City Council of Salt Lake City, Utah, adopted a resolution (the "Resolution") declaring its intention to create Salt Lake City, Utah, Central Business Improvement District No. DA-CBID-06 (the "District") to finance a portion of the cost of economic promotion and community development, which are more specifically described hereafter (the "Economic Promotion Activities") in the area of downtown Salt Lake City within the District and to levy a special assessment (the "Assessment" or "Assessments") for a period of three years as provided in Title 17A, Chapter 3, Part 3, Utah Code Annotated 1953, as amended, on real property situated within the District, for the benefit of which such assessments are to be expended in the management and costs of the Economic Promotion Activities.

DESCRIPTION OF DISTRICT

The District area is described by reference to the following streets (the "Reference Streets"):

- A - North Temple, from State Street to 500 West;
- B - 500 West, from North Temple to 400 South;
- C - 400 South, from 500 West to 200 East;
- D - 200 East, from 400 South to 100 South;
- E - 100 South, from 200 East to State Street;
- F - State Street, from 100 South to North Temple, and
- G - 200 South from 200 East to 300 East.

The area of the District shall include all property bounded by Reference Streets A through G described above. In addition it shall include parcels of property, subject to the exceptions set out hereafter, (the "Peripheral Parcels") which abut the Reference Streets plus all corner parcels which have a corner touching any of the Reference Streets. However, the Peripheral Parcels on the south side of 400 South, the north side of North Temple and the west side of 500 West shall not be included within the District.

The Resolution, maps and other information about the District are available for examination in the offices of the Salt Lake City Recorder, 451 South State Street, Salt Lake City, Utah.

ACTIVITIES AND MANAGEMENT OF THE DISTRICT

The Economic Promotion activities shall include advertising, marketing, special events, festivals, transportation, newsletters, publications, banners, Christmas lighting, security, special projects, housing, town meetings, government policy, cultural promotion, reports, surveys, and other promotional activities. The Economic Promotion activities will be held within the boundaries of the District for the benefit of business and commercial property owners within the District.

Since 1992 the Downtown Alliance has managed promotional activities for Central Business Improvement Districts Numbers DA-8690-A, DA-8690-B, DA-8690-97, DA-CBID-00 and DA-CBID-03. The City has selected the Downtown Alliance (the "Manager") for management of the District through December 31, 2009, subject to creation of the District. The Manager has submitted a proposed budget estimating the costs (the "Estimated Costs") of Economic Promotion Activities within the District. Information from the proposed budget is included in the following section.

ASSESSMENT RATE, FINANCIAL PLAN AND
SOURCES AND USES OF FUNDS

Funding from Assessments provides only a portion of the total budget for the District's programs and activities. The Manager will secure non-assessment funds from other sources such as grants, foundations, earned income, and sponsorships. In addition, sponsors and contributors will pay directly to third party providers a portion of the costs of some Economic Promotion Activities. These supplemental third party payments are not reflected in the projected budget of the District. Most, if not all, of these other sources of funds would not be available without the funding from the Assessments or the Economic Promotion Activities of the District. Funds received from Assessments are anticipated to be used in the following manner:

Source of Funds⁽¹⁾

Assessment Revenue (for 3-year period)	<u>\$2,415,001.25⁽²⁾</u>
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Uses of Funds (annual basis)

Marketing and Events	\$279,000
Economic Development	309,850
General and Administrative	211,150
Salt Lake City Administrative Costs	<u>5,000</u>
Total	<u>\$805,000.00</u>

(1) Total 2006 taxable value for the District = \$1,639,851,600.

(2) Proposed assessment rate = .0014726949 (assessment revenue ÷ 2006 taxable value.)

In addition to Assessments, the Manager anticipates receiving the following additional revenues to be used for Economic Promotion activities:

**Other Supplemental District Revenue Generated Directly
by Downtown Alliance* (Grants, foundations,
sponsorships, earned income, contributions, etc.)**

Marketing and Events	\$279,000
Economic Development	309,850
General and Administrative	<u>4,000</u>
Total Non-assessment Revenues per fiscal year	<u>\$316,500</u>

Total Non-assessment Revenues projected for three years	<u>\$949,500</u>
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* includes subsidiary corporations

PROPERTIES EXCLUDED FROM DISTRICT ASSESSMENTS

Residential, ecclesiastical, and civic properties shall be excluded from Assessments such that only business and commercial properties shall be assessed. The determination of qualification for exclusion for ecclesiastical and civic property shall be based upon exemptions from ad valorem real property taxes for properties used by churches for non commercial purposes and for properties owned and operated by governmental agencies.

BASIS FOR ASSESSMENT

It is proposed to levy a one-time assessment for a three year period on property in the District to pay all or a portion of the estimated costs of Economic Promotion Activities. The assessment shall not exceed the benefits derived by the properties within the District. The assessment shall be based on the 2006 taxable property values. In addition to revenues from the assessment, the Manager of the District will utilize other funding resources, including revenues from grants, promotions, contributions, and sponsorships.

PAYMENT OF ASSESSMENTS

Assessments shall be payable in full or in three (3) annual installments (the "Assessment Installment" or "Installments"), commencing fifteen (15) days after the effective date of the Assessment Ordinance, which is currently estimated to be approximately April 15, 2007. The next two Installments will fall due fifteen (15) days after the first and second anniversary dates of the Assessment Ordinance's effective date. The unpaid balance of any assessment after the hereinafter Cash Payment Period shall bear interest at a rate to be determined at or about the time the Assessment Ordinance is adopted. Interest on any delinquent Assessment Installment shall accrue at the same rate as will be applied to delinquent real estate taxes in the year of delinquency. The whole or any part of the Assessment may be paid without interest within fifteen (15) days (the "Cash Payment Period") after the ordinance levying the Assessment becomes effective, but the first Assessment Installment shall be due and payable during the Cash Payment Period. If any annual installment amount is not paid by the due date, the unpaid installment(s) will accumulate delinquent interest and/or charges in accordance with the Assessment Ordinance and State law.

TIME FOR FILING PROTESTS

To be counted against the creation of the District, protests or objections **MUST BE IN WRITING**, signed by the owners of the property proposed to be assessed. The written protest must describe or otherwise identify said property. If the aggregate taxable value of property that is the subject of timely filed written protests exceeds the aggregate taxable value of properties that are not the subject of a written protest, the City Council will not create the District. Protests withdrawn prior to the creation of the District and protests from areas deleted from the District will not be counted against the creation of the District.

PROTESTS SHALL BE FILED IN WRITING WITH THE CITY RECORDER OF SALT LAKE CITY EITHER IN PERSON DURING REGULAR BUSINESS HOURS MONDAY THROUGH FRIDAY, OR BY MAIL ON OR BEFORE THE DATE OF THE HEARING AT 5:00 O'CLOCK P.M. ON THE 14TH DAY OF NOVEMBER, 2006 (ROOM 415, CITY & COUNTY BUILDING). THEREAFTER, AT 7:00 P.M., ON THE 14TH DAY OF NOVEMBER, 2006, THE CITY COUNCIL WILL MEET AT THE CITY COUNCIL CHAMBERS IN THE CITY & COUNTY BUILDING TO HEAR AND CONSIDER ANY SUCH PROTESTS AND OBJECTIONS TO THE ASSESSMENTS.

BY ORDER OF THE CITY COUNCIL OF SALT LAKE CITY, UTAH

/s/
Deputy City Recorder

Councilmember _____ seconded the motion to adopt the foregoing resolution. The motion and resolution were unanimously adopted on the following recorded vote:

AYE:

NAY:

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Deputy City Recorder

PRESENTATION TO THE MAYOR

The foregoing resolution was presented to the Mayor for his approval or disapproval on the ___ day of _____, 2006.

By: _____
Chair

MAYOR'S APPROVAL OR DISAPPROVAL

The foregoing resolution is hereby approved on this ___ day of _____, 2006.

By: _____
Mayor

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, _____, the duly chosen, qualified, and acting Deputy City Recorder of Salt Lake City, Utah, do hereby certify as follows:

(a) That the foregoing typewritten pages constitute a full, true and correct copy of the record of proceedings of the City Council at a regular meeting thereof held in Salt Lake City on the 10th day of October, 2006, at the hour of 7:00 p.m., insofar as said proceedings relate to the consideration and adoption of a resolution declaring the intention of the City Council to create Salt Lake City, Utah Central Business Improvement District No. DA-CBID-06 to provide economic promotion activities therein described as the same appears of record in my office; that I personally attended said meeting, and that the proceedings were in fact held as in said minutes specified.

(b) That due, legal and timely notice of said meeting was served upon all members as required by law and the rules and ordinances of Salt Lake City.

(c) That the above resolution was deposited in my office on the 10th day of October, 2006, has been recorded by me, and is a part of the permanent records of Salt Lake City, Utah.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and affixed the seal of Salt Lake City, Utah, this 10th day of October, 2006.

(SEAL)

By: _____
Deputy City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

AFFIDAVIT OF MAILING
NOTICE OF INTENTION

I, _____, the duly chosen, qualified, and acting Deputy City Recorder of Salt Lake City, Utah, do hereby certify that the attached Notice of Intention was approved and adopted in the proceedings of the City Council held on Tuesday, the 10th day of October, 2006.

I further certify that on _____, 2006, (a date not later than ten (10) days after the first publication of the Notice of Intention) I mailed a true copy of the Notice of Intention to create Salt Lake City, Utah Central Business Improvement District No. DA-CBID-06 by United States Mail, postage prepaid to each owner of land to be assessed within the proposed Special Improvement District at the last known address of such owner, using for such purpose the names and addresses appearing on the last completed real property assessment rolls of Salt Lake County, and in addition I mailed on the same date a copy of said Notice of Intention addressed to "Owner" addressed to the street number, post office box, rural route number, or other mailing address of each piece of improved property to be affected by the assessment.

I further certify that a certified copy of said Notice of Intention, together with profiles of the improvements and a map of the proposed District, was on file in my office for inspection by any interested parties.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of Salt Lake City, Utah, this ____ day of _____, 2006.

(SEAL)

By: _____
Deputy City Recorder

(Affidavit of proof of publication of the Notice of Intention to continue Salt Lake City, Utah Central Business Improvement District No. DA-CBID-00 with a new numbered designation of DA-CBID-06 for a three year period.)

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, _____, the undersigned Deputy City Recorder of Salt Lake City, Utah, (the "City Recorder"), do hereby certify, according to the records of the City Council in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the 10th day of October, 2006, public meeting held by the City Council as follows:

(a) By causing a Notice, in the form attached hereto as Schedule A, to be posted at the offices of the Salt Lake City Council on 6th day of October, 2006, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule A, to be delivered to the Deseret Morning News on the 6th day of October, 2006, at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 10th day of October, 2006.

(SEAL)

By: _____
Deputy City Recorder