
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: February 3, 2006

SUBJECT: **Ordinance Defining a Significant Parcel of Real Property**

AFFECTED COUNCIL DISTRICTS: Citywide

STAFF REPORT BY: Lehua Weaver

ADMINISTRATIVE DEPT. AND CONTACT PERSON: Management Services - Property Management
Matthew Williams, Acting Property Manager

KEY ELEMENTS:

Currently, Property Management processes all types of property conveyances through the Planning Commission, other City Boards or Commissions as required, and then to the City Council. This proposal reduces the number of property items for which the Council will have the opportunity to request a hearing. It attempts to identify significant items, and those not significant would be handled by the Administration.

The proposed ordinance provided for Council consideration establishes a definition of “significant parcels of real property” based on: 1) the use of the property (such as Airport, Open Space, Public Utilities Properties, etc.), and 2) the type of conveyance (such as a sale, lease, easement, etc.). Using this definition, only significant parcels would be processed through a Property Conveyance procedure, including a hearing before the related City Board or Commission (Planning Commission, Public Utilities Advisory Committee, or Airport Board) and review by the City Council.

The chart (attached) lists each use of City property and each different type of conveyance. On the chart, each “N” indicates an item that would not come through the City Board / Commission, or the City Council. For each “Y”, the item would follow a similar procedure as property conveyances in the past. (See “Additional Information” below for an outline of the procedure.)

The reason for this requested change is to increase the Property Management staff’s efficiency and ability to respond to the public’s need for faster turnaround times.

The changes are allowed by Utah State Code, which states that “each municipality shall, by ordinance, define what constitutes a significant parcel of real property. . .” (UCA 10-8-2 (4)(b)(i))

MATTERS AT ISSUE:

1. During the Council's discussions regarding the Open Space Lands Program, Council Members mentioned an interest in establishing procedures for the disposal of other City-owned open space parcels that are *not included in the Open Space Trust*.
 - a. **Council Members may wish to consider whether the “Open Space” use listed in the chart is broad enough to address any and all “Open Space Land” as defined in the ordinance enacting the Open Space Lands Program.** (See “Additional Information” below for the definition.)

b. Council Members may also wish to consider whether there are other categories of significant parcels that could be included in the list of uses such as:

- **Parcels that are larger than _____ (.5 acre)**
 - **Parcels that are valued at more than _____**
 - **Parcels where the sale of the property would result in a budget or land use request**
 - **Parcels that are specifically referenced in a Master Plan or where the proposed use of the land will conflict with the Master Plan for the area**
 - **Parcels that are currently vacant**
 - **Parcels within specific land use zones**
2. During the Open Space Lands Program briefings, the Council discussed an expanded process for purchasing and/or disposing of Open Space Lands in the Trust Account. **The Council may wish to consider whether they would like to include this expanded process as part of the proposed amendment pertaining to the property conveyance process.** See “Additional Information” below for the steps of an expanded process.
3. Currently, the ordinance allows 15 days for the Council to call for a hearing. The Council office receives a notice of the conveyance following the Planning Commission’s meeting and works with Property Management to identify the next possible dates for placing the item on the Council's agenda and holding a hearing if requested. The proposal allows the City Council seven (7) days following the hearing before the City Board or Commission to call for a hearing in writing to the Mayor. **The Council may wish to consider whether seven days is a sufficient amount of time.**

ADDITIONAL INFORMATION:

Outline of Property Conveyance Procedure: (from Page 2 of the proposed ordinance)

- Notice
 - Notice of the proposed conveyance shall be mailed to all abutting property owners.
 - Notice of the proposed conveyance shall be delivered to the office of the City Council, posted in the office of the City Recorder, delivered to a local media representative, and posted on the City’s website.
- Each “significant” parcel will require a public hearing before the Salt Lake City Planning Commission, the Airport Advisory Board, or the Public Utilities Advisory Committee.
- The Salt Lake City Council may also request a public hearing prior to the conveyance of any “significant” parcel of City owned real-property.
- If the City Council requests a public hearing, the hearing is held by the Mayor or his or her designee in conjunction with a City Council meeting.

Open Space Land definition: (as adopted by the City Council on October 19, 2004)

Section 2.90.020 A. “Open Space Land” means a parcel of land in a predominantly open and undeveloped condition that is suitable for any of the following:

1. natural areas;
 2. wildlife habitat;
 3. important wetlands or watershed lands [included in proposed chart]
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4. greenway or stream corridors;
5. small neighborhood parks designed primarily for non-organized, non-supervised activities, such as:
 - a. a small single purpose play lot,
 - b. a children's playground,
 - c. seating areas,
 - d. natural vegetations, and/or
 - e. a small open grass area.
6. trails for non-motorized recreational activities.

Open Space Lands may be preserved, enhanced and restored in order to maintain the natural, scenic, ecological, cultural, hydrological or geological values of the property. Open Space Lands may be located: (1) within Salt Lake City, or (2) outside Salt Lake City if the Board determines it is in furtherance of the objectives of this Ordinance. As used herein, the term 'undeveloped' does not include manmade structures of historical significance.

An **expanded notification process** would specifically include:

- A written proposal, signed by the Mayor and including a description of the land, purpose of the sale or transfer, proposed purchaser of the land, proposed purchase price, anticipated future use of the land, anticipated change in zoning that would be required, a statement by the Mayor stating the benefit or interest of the City for sale or transfer.
- Hold a public hearing before the Mayor and the City Council.
- Providing notice to the public through publication for two successive weeks 30 days in advance of the hearing in a newspaper of general circulation (following certain dimensions).
- Posting two signs on the land proposed for sale 30 days in advance of the hearing.
- Mailing notice to property owner within 1000 feet of the land 30 days in advance.

OPTIONS:

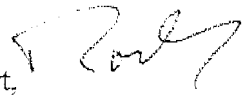
1. Forward the item to the Unfinished Business section of the agenda for the Council's consideration.
2. Request additional information relating to this topic, including a definition of other Open Space Lands, an expanded notification process and other items that may be identified by the Council.
3. Request a follow-up briefing.


CC: Rocky Fluhart, Sam Guevara, Ed Rutan, Lynn Pace, Matthew Williams, John Spencer, Russ Pack, LeRoy Hooten, Karryn Greenleaf, Rick Graham, Val Pope, Louis Zunguze, Alex Ikefuna, Cheri Coffey, Doug Wheelwright, DJ Baxter, Janice Jardine

SALT LAKE CITY CORPORATION
DEPARTMENT OF MANAGEMENT SERVICES
PURCHASING, CONTRACTS AND PROPERTY MANAGEMENT DIVISION

JAN 23 2006

COUNCIL TRANSMITTAL

TO: Rocky J. Fluhart, 
Chief Administrative Officer
DATE: January 17, 2006

FROM: Matthew C. Williams 
Acting Property Manager

SUBJECT: Defining what constitutes a significant parcel of real property

STAFF CONTACT: Matt Williams, 535-6447

DOCUMENT TYPE: Ordinance

BUDGET IMPACT: Reduction in staff time required to process real property transactions

BACKGROUND/DISCUSSION:

Utah Code Section 10-8-2 (4) states:

- (4) (a) Before a municipality may dispose of a significant parcel of real property, the municipality shall:
- (i) provide reasonable notice of the proposed disposition at least 14 days before the opportunity for public comment under Subsection (4)(a)(ii); and
 - (ii) allow an opportunity for public comment on the proposed disposition.
- (b) Each municipality shall, by ordinance, define what constitutes:
- (i) a significant parcel of real property for purposes of Subsection (4)(a); and
 - (ii) reasonable notice for purposes of Subsection (4)(a)(i).

This section of the State Code and existing City Code requires the Planning Commission to hold a public hearing on any transaction which may result in the conveyance of any interest in City-owned property. This requirement needlessly delays conveyances of temporary interests, such as utility permits and short-term leasehold interests.

The draft ordinance meets the requirements of 10-8-2 (4.b) by establishing Salt Lake City's definitions of "significant parcel of real property" and "reasonable notice." Once a conveyance is deemed to meet the definition of "significant parcel," there are existing City processes to allow for public notification and subsequent comment as required by State Code.

RECOMMENDATION:

Adoption of the attached draft ordinance. Following adoption of this ordinance, the process for review and approval of the majority of transactions will be greatly streamlined and the amount of time required for completion of these transactions will be substantially reduced.

SALT LAKE CITY ORDINANCE

No. _____ of 2005

(Defining what Constitutes a Significant Parcel of Real Property)

AN ORDINANCE DEFINING WHAT CONSTITUTES A SIGNIFICANT
PARCEL OF REAL PROPERTY WITHIN THE MEANING OF THE UTAH STATE
CODE.

WHEREAS, U.C.A. § 10-8-2(4) requires that before a municipality may dispose of a significant parcel of real property, the municipality must provide at least 14 days notice and an opportunity for public comment on the proposed disposition; and

WHEREAS, the Utah Code also requires that each municipality shall, by ordinance, define what constitutes a significant parcel of real property and what constitutes reasonable notice; and

WHEREAS, after having reviewed and studied this matter, the City Council finds that the proposed ordinance is in the best interest of the City;

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah, as follows:

SECTION 1. Section 2.58.020B of the Salt Lake City Code shall be and hereby is amended to read as follows:

B. Sale, Lease or Irrevocable Transfer. The chief procurement officer shall adopt specific written guidelines establishing requirements for notice, bidding or other conditions of sale, lease or other transfer of real property.

SECTION 2. Section 2.58.035 of the Salt Lake City Code shall be and hereby is enacted to read as follows:

2.58.035 Significant Parcel of Real Property

In connection with any proposed sale, lease, conveyance or other disposition of real property owned by the City, the determination of whether or not a particular parcel of real property is "significant" shall be determined based upon the "Table of Significant Parcels of Real Property" set forth below.

SECTION 3. The Salt Lake City Code shall be and hereby is amended to include the "Table of Significant Parcels of Real Property," as set forth on Exhibit A attached hereto, to be located within Section 2.58.035 of the City Code.

SECTION 4. Section 2.58.040 of the Salt Lake City Code shall be and hereby is amended to read as follows:

A. A significant parcel of real property owned by the city or any legal interest therein, shall not be sold, traded, leased or otherwise conveyed or encumbered until the City has provided reasonable notice to all interested parties and held at least one public hearing on the proposed conveyance as set forth herein.

B. Reasonable notice of the proposed conveyance of a significant parcel of City owned real property shall be interpreted to require the following:

1. Notice of the proposed conveyance shall be mailed to all abutting property owners.

2. Notice of the proposed conveyance shall be delivered to the office of the City Council, posted in the office of the City Recorder, delivered to a local media representative, and posted on the City's website.

C. No significant parcel of City owned real property, as identified on Table 2.58.035, may be conveyed until after a public hearing has been held before either the Salt Lake City Planning Commission, the Airport Advisory Board, or the Public Utilities Advisory Board.

D. In addition to the public hearing required above, the Salt Lake City Council may also request a public hearing prior to the conveyance of any significant parcel of City owned real property. Any

request for a hearing before the City Council must be delivered to the office of the Mayor no less than 7 days after the date of the public hearing held pursuant to Subsection C above. If no request for a hearing is made within that time period, the City Council shall be deemed to have waived any right to request a hearing.

If a written call for hearing has been made by the council, the mayor or his or her designee shall meet thereafter to hear and consider comments upon proposals to convey the city property specified in the notice. Such hearing shall take place before, after or in conjunction with a regularly scheduled city council meeting, as determined by the mayor.

E. Any notice of a proposed conveyance of a significant parcel of City owned real property shall specify the following:

1. A description of the property to be conveyed or encumbered;
2. The nature of the proposed conveyance or encumbrance, whether the property is to be sold, traded or encumbered, including the nature of the conveyance if the property is to be sold, or if a trade or lease of property is contemplated, a brief summary of the proposed transaction;
3. Persons to whom interests are to be conveyed;
4. Any consideration tendered;
5. The name of the person, department or entity requesting such action;
6. The basis upon which the value of the interest has been determined by the city;
7. The date, time and location of the public hearing to be held. The notice shall further state that interested persons may appear and comment upon the proposal.

F. The conveyance or encumbrance of real property of the city may be finalized as follows:

1. By the mayor, at his/her discretion following notice and/or public hearing, as required by this section; or

2. If the transfer is revocable and the mayor has determined that an unanticipated combination of facts and conditions of pressing necessity has emerged which requires that action be taken prior to a city council hearing. Such conditions shall not be deemed to arise, unless it appears that delay from notice or a hearing would produce:

a. Great or irreparable injury to persons seeking the conveyance or encumbrance, with negligible impact upon city interests,

b. Serious detriment to the social or economic interest of the community as whole, or

3. Substantial economic loss to the city.

G. Any decision by the mayor to forego the city council hearing provisions of this section shall be made in writing to the city council, stating the specific reasons upon which the decision was based.

SECTION 5. EFFECTIVE DATE. This Ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2005.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. _____ of 2005.
Published: _____.

APPROVED AS TO FORM:
1-19-06
JPM-H. fm

I:\Ordinance 05\Defining a Parcel of Real Property - June 21, 2005 cleandoc

Type of Property ❶	Transactions Granting Fee Title		Transactions Granting an Interest				
	Property Sales	Property Exchanges	Lease or Temporary Use Agreements	Easements	Utility Permits**	Revocable Permits	
						Commercial	Residential
Airport	Y	Y	N	N	N	N	NA
Golf Courses	Y	Y	Y*	Y	Y	Y	Y
Open Space:							
Environmentally Sensitive Lands (Foothills)	Y	Y	Y	Y	Y	Y	Y
Jurisdictional Wetlands	Y	Y	Y	Y	Y	NA	NA
Streets & Alleys:							
Surface Rights❷	Y	Y	Y*	N	N	N	N
Subsurface Rights	Y	Y	N	N	N	NA	NA
Aerial Rights	Y	Y	N	N	N	NA	NA
Public Buildings (except Airport property)	Y	Y	N	N	N	N	N
Public Utilities Properties:							
Canal Properties	Y	Y	N	N	N	N	N
Water Facilities	Y	Y	N	N	N	N	N
Sewer Facilities	Y	Y	N	N	N	N	N
Storm Drain Facilities	Y	Y	N	N	N	N	N
Watershed	Y	Y	N	N	N	N	N

❶ NOTE: To the extent that the property falls into more than one category, the more restrictive process will apply.

❷ NOTE: To the extent that any surface use involves a street or alley closure, such use would be subject to the street or alley closure process.

NA = not applicable

*More than 10 years initial term or more than 30 years total with option terms.

**Includes Telecommunications Franchises and Telecommunications Right-of-way Permits.