

**PLANNING COMMISSION STAFF REPORT
ADMINISTRATIVE ITEM**

**4552 W 150 South
Declaration of Surplus Property
PLNPCM2014-00011
February 12, 2014**



Planning Division
Department of Community
and Economic Development

Applicant: Mayor (Public Utilities Department)

Staff: Daniel Echeverria
801-535-7165
Daniel.echeverria@slcgov.com

Tax ID: 15-06-100-003

Current Zone: M-1, Light Manufacturing

Master Plan Designation:
Northwest Quadrant Community Area-
Light Manufacturing

Council District:
Council District 2 – Kyle LaMalfa

Community Council: Poplar Grove
Community Council; Andrew Johnston,
Chair

Surplus Land Size:
104.4 Acres

Applicable Land Use Regulations

- Section 2.58, City Owned Real Property
- Section 21A.28.020, M-1 Light Manufacturing District
- Section 20.20 Minor Subdivisions

Attachments:

- A. Petition Initiation Request
- B. Department Comments

Request

The Mayor is requesting that a portion of City owned property located at approximately 4552 W 150 South be declared surplus for the purpose of trading the land for adjacent parcels. The land is currently part of the larger parcel located at approximately 4600 W 700 South. Requests to declare a property surplus are required to have a public hearing before the Administration can move forward with the surplus process.

Recommendation

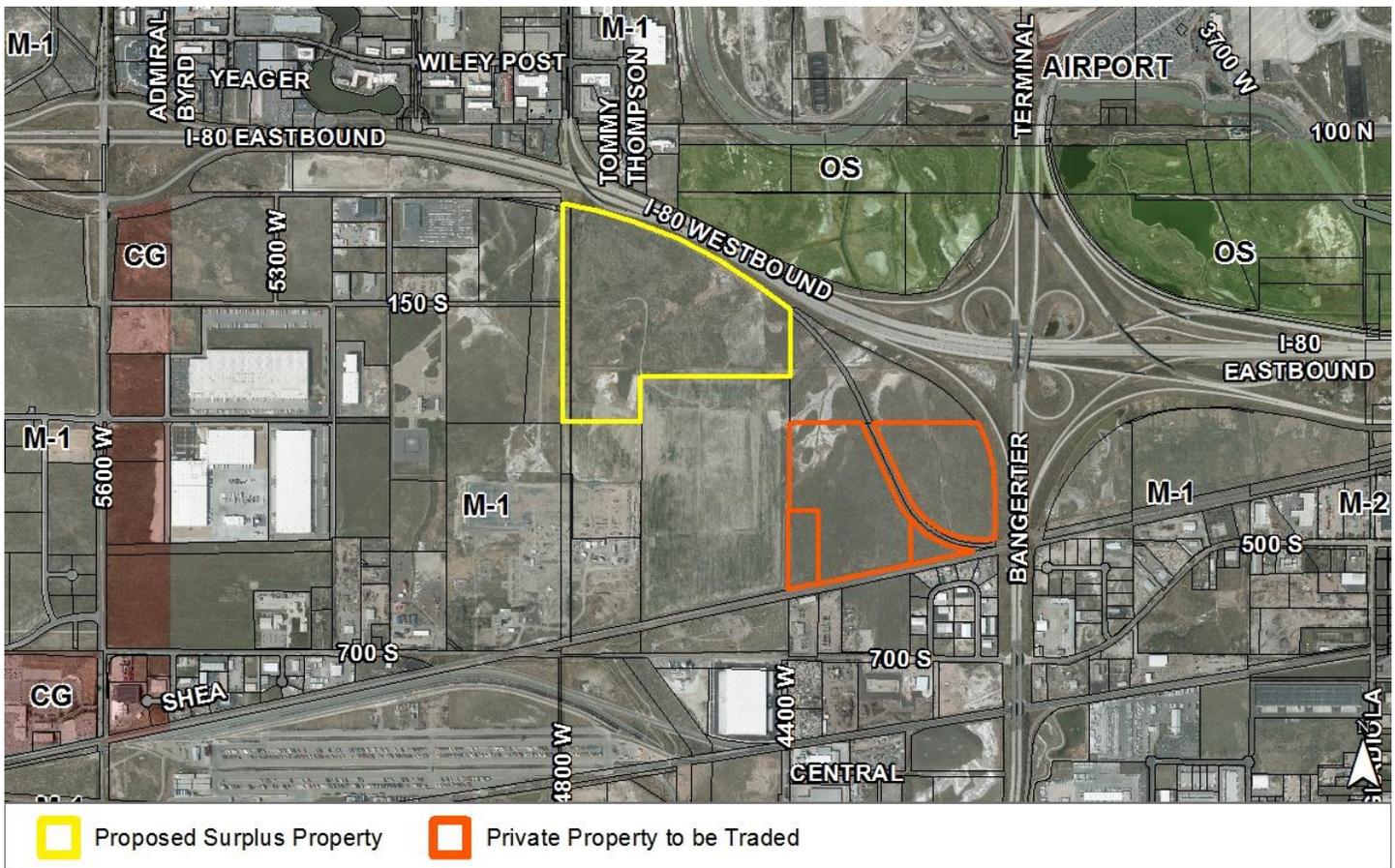
Based on the findings within this staff report, staff recommends that the Planning Commission transmit a favorable recommendation to the City Administration to dispose of the property in a manner consistent with Section 2.58 of the Salt Lake City Code.

Recommended Motion

Consistent with Staff Recommendation: Based on the findings listed in the staff report, testimony and plans presented, I move that the Planning Commission transmit a favorable recommendation to the City Administration to dispose of the property in a manner consistent with Section 2.58 of the Salt Lake City Code subject to the following condition:

1. The property owner shall obtain subdivision approval prior to the recording of new property lines.

Vicinity Map



Background

Project Description

The City is proposing to declare surplus an approximately 104.4 acre portion of land located at approximately 4552 W 150 South. The land is currently part of the parcel with the address 4600 W 700 South. The City is in discussions with adjacent property owners to trade the City property for four other parcels located at approximately 320 S Bangerter Highway, 4175 W 700 South, 4252 W 700 South, and 4382 W 700 South. The associated parcels are highlighted on the project map. Details of the proposed property transaction can be found in Attachment A. Surplus property requests are required to have a public hearing before the Administration can move forward with the disposition of the property.

Public Notice, Meetings and Comments

Notice of the public hearing for the proposal includes:

- Public hearing notice mailed on January 30, 2014.
- Public hearing notice posted on property on February 3, 2014.
- Public hearing notice posted on City and State websites on January 30, 2014.
- Public hearing notice emailed to the Planning Division listserv on January 30, 2014.

City Department Comments

The comments received from pertinent City Departments / Divisions are attached to this staff report in Attachment B. The Planning Division has not received comments from the applicable City Departments / Divisions that cannot reasonably be fulfilled or that warrant denial of the petition.

Analysis

There are no specific standards for declaring City-owned property surplus. It is appropriate, however, to weigh the following considerations when deciding to declare a piece of property surplus.

1. The history of the subject property.

Analysis: The properties are currently undeveloped and vacant parcels. Previous landfill activity on 4600 W 700 South has resulted in some environmental contamination that will need to be remediated. The current proposal results in the City trading approximately 104.4 acres of City property for 84.3 acres of private property. The additional City property involved in the trade is intended to compensate for the environmental remediation costs associated with the property.

Finding: The City no longer has a need for the requested surplus property and the environmental issues with the property could be remediated through the associated property trade.

2. The proposed use and project description.

Analysis: The proposed use of the surplus property has not yet been determined. A private property owner could develop the property in compliance with the existing M-1, Light Manufacturing zoning district standards. These standards allow for a variety of light industrial and heavy commercial uses.

The subdivision of the concerned property at 4600 W 700 South will need to be done through a Minor Subdivision process. The final property configuration of the proposed lot at 4552 W 150 South will need to include 80' of lot frontage on a public street, which will require the dedication of property for a public street, or the property will need to obtain Planned Development approval to modify the lot frontage requirement. Public street dedication would be accomplished through the associated Minor Subdivision process, which would entail a Subdivision Improvement Construction Agreement as noted by the Engineering department.

Finding: There are no definitive plans for reuse of the property. The property owner will need to obtain Minor Subdivision approval to record new property lines that reflect the portion of the property involved in the surplus property declaration. Through this process, the owner will need to dedicate sufficient public right of way necessary to ensure compliance with the M-1 Zoning District or otherwise obtain Planned Development approval to modify zoning requirements for development. The current zoning designation is consistent with applicable master plans.

3. Compliance with adopted policies of relevant master plans.

Analysis: The property is located in the Northwest Quadrant community area. This area does not currently have an associated master plan. However, legislative actions in 1995 designated the 1995 zoning map as the official future land use map for the area. Due to this, the current zoning is in compliance with the future land use designation.

Finding: The property is zoned to match the future land use designation and any new development would have to comply with the underlying zone regulations.

4. Consistency with adopted governmental codes and regulations.

Analysis: City Code Section 2.58 outlines the process for declaring property surplus. Once the Planning Commission makes a recommendation to the City Administration, the item will be transmitted from the Community and Economic Development Department to the Chief Administrative Officer. At that point, notification will be sent to the City Council members. The City Council members have 15 days to request a hearing. After the 15 days have passed or a hearing is held, the property is officially declared surplus and the disposition of the property can be finalized. The subdivision of the property will need to comply with the subdivision regulations discussed in standard 2 above.

Finding: The subject property is being disposed of in accordance with applicable governmental codes and regulations. The subdivision of the property will need to comply with the applicable subdivision regulations.

Attachment A

Petition Initiation Request

Reassign
pay to

???

Ryan sent email today.
Did we create a petition #???

JEFFRY T. NIERMEYER
DIRECTOR

SALT LAKE CITY CORPORATION

DEPARTMENT OF PUBLIC UTILITIES
WATER SUPPLY AND WATERWORKS
WATER RECLAMATION AND STORMWATER
MEMORANDUM

RALPH BECKER
MAYOR

To: Salt Lake City Planning Commission

From: Jeff Niermeyer - Director *J Niermeyer*

Date: December 19, 2013

Subject: Notice to Planning Commission for Public Hearing to Declare property located at 4552 West 150 South as Surplus for a land exchange

City Ordinance 2.58.040(C) requires that a public hearing be held to declare City Owned Property as surplus. We are requesting that the Planning Commission hold a public hearing and accept public comments to consider a request for a trade of private property with City owned property located at the above noted address.

The requestor is the owner of property located in the same area as the City owned property is requesting that Salt Lake City Department of Public Utilities consider an exchange of 104.4 acres of City owned property for an adjacent parcels that equal 84.3 acres. See attached Draft Proposal.

During the due diligence phase of the proposed trade it was determined that some reclamation will be required on the City owned parcel. This remediation has been estimated at approximately 3 million dollars. It has been proposed that the City deed an additional 20 acres of land to cover 2 million dollars of the radiation and the applicant would be responsible for the remaining amount of approximately 1 million dollars.

The purpose of the public hearing is to request a recommendation from the public and for the City to continue the process to declare the City owned property surplus for this exchange of property and remediation only.

On February 28, 2013 a public hearing was held at the Public Utilities Advisory Committee Meeting where the proposal was to exchange properties of equal size. It was the recommendation of the PUAC that the process be continued for the evaluation and analysis of the property exchange; the minutes are attached for your information.

Public Utilities would like to proceed with the trade of the property and ask that a public hearing be held at the first Planning Commission meeting in January of 2014.

Thank you.

/kg

Rec'd
9-9-13

DRAFT PROPOSAL TO SALT LAKE CITY PUBLIC UTILITIES
August 29, 2013

ASSUMPTIONS

- Value of the Okland, Kesler, Johnson property is \$6,060,000 or \$1.65 per square foot.
- Value of the SLC property is \$6,610,000 or \$1.80 per square foot.
- Cost of reclaiming the 40.71 acres of SLC property:
 - Innovative Excavation Bid is \$2,727,232 plus permits, surveying, dump fees, etc. (Estimate) of approximately \$250,000 for a total estimate of \$2,977,232
 - Jones Excavation Bid is \$3,149,762 plus permits, surveying, dump fees, etc. (Estimate) of approximately \$250,000 for a total estimate of \$3,399,762.
- Average of the two excavation proposals is \$3,188,497

PROPOSAL

We would propose to absorb one-third of the average estimated cost of reclamation or \$1,062,832, and exchange the other two-thirds of the cost in additional property as follows:

Value of the property given to Salt Lake City	\$6,060,000
Reclamation costs not absorbed by Okland, et al.	<u>2,125,665</u>
Total	\$8,185,665

Value of the property received from Salt Lake City \$8,185,665

\$8,185,665 divided by \$1.80 per square foot equals 4,547,592 square feet or 104.40 acres (4,547,592 divided by 43,560).

The final trade would be exchanging 84.30 acres for 104.40 acres.

PUAC-Minutes
February 28, 2013

Mr. Lewis then asked that the budget be approved as submitted with one exception to add \$1,290,000 to the water utility capital improvement budget for two projects that management has requested be moved up to next year's budget. Both projects were budgeted in future budgets, but we would like to start construction on both projects this next year. The first project is to design and install a new line in Parley's canyon which will protect against possible oil spills. Funding is made available from the Chevron Oil spill settlement. The other project is moving the construction of a water pump station at upper boundary springs up to next year to start construction next year.

Committee member Larry Myers made a motion to approve the budget with the adjustment to increase the water capital budget by \$1,290,000. Committee member Roger Player seconded the motion, with all members present voting aye.

Comments:

Dixie Huefner suggested that it might be easier to raise rates conservative for a few years instead of 20% all at one time?

PUBLIC HEARING at 8:00 am

Mr. Grant Kesler made a presentation regarding the letter he had submitted to the Department of Public Utilities requesting the exchange of property located at 4600 West and 500 South. The letter stated:

On behalf of Okland Industrial Properties, LLC, R.C.R. Management, LC, and JMK Development, LLC I would like to propose a trade of 85.44 acres of property for 84.3 acres owned by Salt Lake City. (There was a map enclosed that showed the location of an additional 1.15 acres that would provide access to Seventh South Street).

We understand that the exchange would be done with the following stipulations and conditions:

- We will obtain an acknowledgment that the right of crossing granted in the 1980's by Western Pacific Railroad (now Union Pacific) will insure to the benefit of Salt Lake City at such time as Salt Lake City is prepared to go forward with the proposed waste water treatment plant.
- We understand there are active faults on both properties and we accept any risk of development associated with them.
- We acknowledge the existence of a sewer main that crosses the property with an attending easement and right of way on behalf of Salt Lake City.
- As the property is developed we will insure that there is a 66-foot wide road to connect existing public roadways to the property to be then owned by Salt Lake City.
- We acknowledge the existence of a private landfill on the property formerly owned by Brown Floral. We intend to do a Phase I environmental study on all of the property involved in the proposed trade and to then proceed to a Phase II environmental study as needed and dictated by the results of the Phase I study. We will disclose any findings regarding those studies to Salt Lake City. To the extent there is remediation needed we will either agree to perform the remediation or abandon the proposed trade.

- We acknowledge the existence of an artesian well on the Salt Lake City property. We understand it is warm (72 degrees) and salty.
- We understand that at the time of development or before there will be, on the property acquired, both a navigation easement and an odor easement as a result of being in the domain of the airport authority and in view of the proposed future plans by Salt Lake City to build a waste water treatment facility.

Please let us know what formalities are necessary to initiate the process of approval for this trade. This ended Mr. Keslers' presentation.

Comment: Chris Weesner, from Salt Lake Garfield & Western Railroad. He spoke in favor of the property exchange.

Committee member Kent Moore made a motion to continue the evaluation and analysis of the property exchange between Salt Lake City and Grant Kesler. Committee member Larry Myers seconded the motion with all members present voting aye.

Motion to go out of PUBLIC HEARING

Committee member Christy Cushing made a motion and Committee member Roger Player seconded the motion to go out of the PUBLIC HEARING with all members present voting aye.

Open Meeting Training – Rusty Vetter Utah Open and Public Meetings Act Requirements for the PUAC

Statutory Obligation to Train

The "presiding officer of the public body shall ensure that all members of the public body are provided with annual training on the requirements" of the Open and Public Meetings Act (the "Act").

Basic Principle (Section 52-4-201(1)) A "meeting" of a public body must be open to the public, unless an exception is available under the Act allowing the meeting to be closed.

B. Definitions (Section 52-4-103)

1. "Public Body" The PUAC (the "Board") is a public body for purposes of the Act.
2. "Meeting"

A meeting is the convening of at least a quorum of a public body for the purpose of (a) discussing, (b) receiving comments from the public about, or (c) acting upon a matter over which the body has jurisdiction or advisory power.

Chance and social "meetings" are not subject to the open meeting law. However, they may not be used to circumvent the Act. (Section 52-4-208)

Electronic meetings may be held subject to the Act and as described below.

3. "Convening"

The calling of a meeting of a public body by a person authorized to do so for the express purpose of discussing or acting upon a subject over which that public body has jurisdiction or advisory power.

C. Notice of Meetings (Section 52-4-202)

The Committee must give not less than 24 hours public notice of each meeting. The notice must

NOTICE OF PUBLIC HEARING

CONCERNING DISPOSITION OF CITY-OWNED REAL PROPERTY

NOTICE IS HEREBY GIVEN THAT ON Thursday, February 28, 2013, at 8:00 am, a public hearing will be held in the Main Conference Room, Salt Lake City Department of Public Utilities, 1530 South West Temple, Salt Lake City, Utah, before the Salt Lake City Public Utilities Advisory Committee to receive public comments to consider a request for a trade of private property with a portion of City owned property located at 4552 West 150 South. The requestor is the owner of property located in the same area as the City owned property and is requesting that Salt Lake City Department of Public Utilities consider a proposed exchange for an adjacent parcel of roughly equal size. It is the intention that the exchange of property will be of equal value, as the parcels will be of equivalent size. Given the similarities between the properties, the parties do not believe that appraisals of the parcels would be necessary in order to close the proposed transaction. The purpose of the public hearing is to request a recommendation from the Public Utilities Advisory Committee to continue the process to declare the City owned property surplus for this exchange of property only.

The hearing will be conducted pursuant to Section 2.58.040 of the City Code and interested persons may appear and comment on the proposal. All persons interested and present will be given an opportunity to be heard in this matter. Assisted listening devices or interpreting services are available for public meetings with 24 hour notice. Salt Lake City Corporation complies with the American Disabilities Act (ADA). For further information contact the Zee Smith at 801-483-6770.

Published February 14, 2013 (Deseret News/Salt Lake Tribune)

RULES OF CONDUCT FOR PUBLIC UTILITIES ADVISORY COMMITTEE ("PUAC")
PUBLIC HEARING

- First: Applications will be introduced by Staff Member.
- Second: The applicant will be allowed up to 15 minutes to make their presentation.
- Third: The Community Council representative can present their comments.
- Fourth: Persons in favor of, or not opposed to, the application will be invited to speak.
- Fifth: Persons opposed to the application will be invited to speak
- Sixth: The applicant will be allowed 5 minutes to provide concluding statement.

- Speakers will be called to the podium by the Chairman.
- Because the meeting minutes are recorded it is important for each speaker to state their name and address prior to making any comments.
- All comments should be directed to the PUAC, not to the staff or to members of the audience.
- For items where there are several people wishing to speak, the Chairman may impose a time limit, usually 2 minutes per person, or 5 minutes for a group spokesperson.
- After the hearing is closed, the discussion will be limited to the PUAC and the Staff.

For News Paper Advertisement

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Publish: February 14, 2013 (Deseret News Only)
Account number :900136732
Sent to NACC 02-13-2013

Attachment B

Department Comments

Department Comments

Engineering (Scott Weiler)

SLC Engineering has no objection to the proposed declaration of surplus property. When the property at 4552 W 150 South develops, public way improvements will be required in 150 South Street to serve the project. If the property at 4552 W 150 South is to be subdivided, the subdivider will be required to execute a Subdivision Improvement Construction Agreement and provide a security device for the estimated cost of the public improvements.

Transportation (Barry Walsh)

Transportation review comment and recommendations are for approval as follows: The proposed land trade does not impact existing public transportation corridor rights of way for 150 South roadway to the west of the current SLC parcel or 700 South roadway to the south of the current Kesler property. The agreement proposal indicates roadway development (66' ROW) to be by the Kesler development. There is mention of a railroad crossing agreement to be verified for a proposed future access between 700 South and 150 south. Roadway dedication and utility easement to be verified prior to final agreements.