

SUMMIT COUNTY ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING SUMMIT COUNTY TO ENTER INTO AN AGREEMENT FOR GROUND LEASE AND ACQUISITION OF REAL PROPERTY FOR EMPLOYEE HOUSING AT THE CANYONS VILLAGE, PARK CITY, UTAH, IN WHICH LVDAM-LV6A IS TRANSFERRED TO THE CANYONS VILLAGE MANAGEMENT ASSOCIATION AFTER THE RETIREMENT OF AN ASSESSMENT BOND FOR NON-MONETARY CONSIDERATION UNDER UCA 17-50-303(4)

PREAMBLE

WHEREAS, UCA §17-50-303(4) provides that a county can appropriate monies or resources, which includes a real property asset, to a private enterprise for an intangible benefit, which benefit serves as comparable fair market value consideration to the county; and,

WHEREAS, UCA §17-50-303(4) requires that prior to any sell, a county must (a) conduct an independent study to evaluate the proposed transaction and evaluate the intangible benefit and make a written report thereof (the “Study”), (b) conduct a properly noticed public hearing on the proposed transaction (the “Public Hearing”), (c) make a finding that in the judgment of the county legislative body the proposed transaction provides for the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of county residents, and (d) enact an ordinance setting forth any criteria as to value, if any, the county will received in return for the real property; and,

WHEREAS, the County is purchasing LVDAM-LV6A from Intermountain Healthcare for the purpose of locating all of the Canyon’s employee housing (1,107 employees) on that site (the “Employee Housing”); and,

WHEREAS, the County is utilizing some of the proceeds from an assessment bond (the “Assessment Bond”) issued by the County, which will be repaid and retired by assessments levied against property owners within an assessment area located within the Canyons SPA (the “Canyons Assessment Area”), for the purpose of purchasing LVDAM-LV6A; and,

WHEREAS, so long as the Assessment Bond has not been retired, the County is required to be the fee title owner of LVDAM-LV6A; and,

WHEREAS, the County intends to enter into a Ground Lease at the Canyons Village, Park City, Utah (the “Ground Lease”) with the Canyons Resort Village Association, Inc., a Utah nonprofit corporation doing business as Canyons Village Management Association (the “CVMA”) wherein the CVMA shall construct, maintain and operate the Employee Housing; and,

WHEREAS, the CVMA has requested that upon the retirement of the Assessment Bond, LVDAM-LV6A be transferred to the CVMA in exchange for current and future intangible benefits, which are evaluated as of the Effective Date (defined below), in accordance with UCA §17-50-303(4) (the “Transaction”); and,

WHEREAS, Summit County (the “County”) has retained Zions Public Finance, Inc. (“Zions”) to conduct the Study; and,

WHEREAS, Zions issued its Canyons Employee Housing Cost-Benefit Analysis, dated November 27, 2017 (the “Zions’ Study”), which the County made available on its website to the general public on November 28, 2017; and,

WHEREAS, the County finds that the Zions’ Study satisfies the requirements of UCA §17-50-303(4)(e); and,

WHEREAS, the County conducted the Public Hearing on December 13, 2017;

NOW THEREFORE, the County Legislative Body of the County of Summit, the State of Utah, Ordains as follows:

Section 1. **Criteria.** The County hereby sets the following criteria to be used in determining the value of intangible benefits to the County with respect to the Transaction:

- A. Value the County will receive in return for conveyance of LVDAM-LV6A to the CVMA.
- B. Enhancements to public safety, health, prosperity, moral well-being, peace, order, comfort or convenience to County residents that result from the use of LVDAM-LV6A as Employee Housing.
- C. Attainment of goals and objectives of the County with respect to affordable housing, economic development, and traffic mitigation on SR 224 as a result of the use of LVDAM-LV6A as Employee Housing.

Section 2. **Acceptance of the Study.** The County hereby accepts the Zions’ Study.

Section 3. **Fair Market Value of LVDAM-LV6.** The fair market value of LVDAM-LV6 with 405,000 square feet of hotel/lodging uses within the Canyons SPA is \$14,400,000 as of January 1, 2018. The County intends to extinguish all 405,000 square feet of hotel/lodging uses upon acquisition. LVDAM-LV6A will be deed restricted in perpetuity to Employee Housing. A long term lease will be issued to the CVMA to construct Employee Housing, and to maintain, operate and manage it.

Section 4. **Findings.** In the judgment of the County Council (the “Council”) the Transaction

provides for the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of county residents. In furtherance thereof, the Council makes the following additional findings:

- A. The County will form a Canyons Assessment Area and issue an Assessment Bond, in part, to acquire LVDAM-LV6A. The property owners within the Canyons Assessment Area will pay annual assessments to repay and ultimately retire the Assessment Bond. All property owners within the Canyons Assessment Area are members of the CVMA.
- B. In 2017, the County prioritized as three of its primary goals and objectives the following:
 - (i) The County will plan for and make improvements to our transportation system to reduce traffic congestion.
 - (ii) The County will facilitate efforts to significantly decrease the deficit in workforce/affordable housing in order to have more community members who work and live in our County.
 - (iii) Through environmental stewardship and leadership the County will implement plans and policies to secure, preserve and protect our water, land and air quality for the present and future.
- C. LVDAM-LV6A shall be deed restricted for use as Employee Housing. The CVMA shall build, maintain and operate the Employee Housing.
- D. Deed restricted Employee Housing assists the County in attaining its goal of reducing the workforce/affordable housing deficit within the County.
- E. Deed restricted Employee Housing assists in attaining the County's goal with respect to traffic mitigation by reducing ~14,100,000 commuter miles on SR 224.
- F. Deed restricted Employee Housing assists in attaining the County's environmental stewardship goal with respect to clean air by reducing emissions and pollutants from decreased vehicle travel.
- G. Deed restricted Employee Housing within the Canyons Resort will help to facilitate resort development that is estimated to generate the following economic benefits to the County:
 - (i) ~\$28,000,000 per year in increased tax revenues to all taxing entities, which includes ~\$21,000,000 to the County.

- (ii) Increased employment in the County, including jobs created and wages paid.
- H. Deed restricted Employee Housing enhances the safety, health, prosperity, and moral well-being of County residents by:
 - (i) Reducing transportation costs to lower middle income households by \$5,102 per year.
 - (ii) Reducing commute times at an annualized cost savings of \$6,350 per household.
 - (iii) Reducing traffic accidents due to decreased vehicle miles traveled.
 - (iv) Reducing emissions and pollutants from decreased vehicle travel, resulting in cleaner air.
- I. The Transaction constitutes the appropriation of monies to a private enterprise by the County under UCA §17-50-303(4).

Section 5. **Conclusions.** The County makes the following conclusions:

- A. The intangible benefits of the Transaction are in excess of the fair market value of LVDAM-LV6A.
- B. The County approves the transfer and conveyance of LVDAM-LV6A to the CVMA once the Assessment Bond is retired. No further legislative action shall be necessary. The County executive is authorized to do all tasks and execute all documents necessary to satisfy the provisions hereof.

Section 6. **Effective date.** The County legislative body herewith finds that for the immediate preservation of the peace, health and safety of the County and the inhabitants thereof, this Ordinance shall be effective on April 4, 2018.

APPROVED, ADOPTED, AND PASSED and ordered published by the Summit County Council, this 4th day of April, 2018.

**COUNTY COUNCIL
SUMMIT COUNTY, STATE OF UTAH**

ATTEST:

Kent Jones
County Clerk

By: _____
Kim Carson, Chair

APPROVED AS TO FORM:

David L. Thomas
Chief Civil Deputy

Councilmember Robinson voted: _____
Councilmember Carson: _____
Councilmember Armstrong voted: _____
Councilmember Clyde voted: _____
Councilmember Wright voted: _____