

Attachment 12 – Administration’s Responses to the Council’s Policy Questions

POLICY QUESTIONS:

1. \$300+ Million Unfunded Capital Needs and \$58 Million Bond Proposal – The Council may wish to discuss if the proposed bond funding by category (listed below) aligns with the Council’s policy priorities. The Council may also wish to discuss how to balance the City’s \$300+ Million unfunded capital needs including deferred maintenance for existing assets with funding construction of new assets. The Council is scheduled to review the bond projects in detail over the summer when also reviewing individual CIP projects.

- ☐ \$19.2 Million for Facilities Projects (34% of bond total)
- ☐ \$11.1 Million for Transportation and Streets Projects (19% of bond total)
- ☐ \$26.54 Million for Parks and Natural Lands Projects (47% of bond total)

2. American Rescue Plan Act (ARPA) Funding for CIP – The Council may wish to ask the Administration to review all CIP applications for FY22 to determine which, if any project, are eligible for ARPA funding. The U.S. Treasury release eligibility guidance after the advisory board and Mayor provided project funding recommendations to the Council. A review for ARPA feasibility could be completed in time for the Council’s July and August project-specific funding deliberations.

ARPA Funding

- CIP FY21
 - The general purpose appropriation for street reconstructions
 - Rehabilitation of bridges over the Jordan River at 400 S and 650 N
- CIP FY22
 - The general purpose appropriation for street reconstructions
 - 200 South transit complete street
- Projects with Drainage and Stormwater Improvement Expenses
 - 100 South
 - 300 West
 - 900 East
 - 900 South
 - Local Streets #1
 - Local Streets #2
 - 200 South (FY22)
 - 900 South (FY22)
 - Local Streets Projects (FY22)
- Bridges
 - 650 North
 - Damaged by earthquake and application submitted to UDOT for \$5.6M
 - 400 South
 - Rehabilitation cost estimated at \$2.8M

3. Policy Guidance for When to Disqualify an Application – The Council may wish to discuss with the Administration if it would be helpful for the Council to provide policy guidance on disqualifying an application such as if it violates a stated City position in an adopted master plan or other policy document, if the primary beneficiary would not be the public, if the City should no longer allow constituent street reconstruction applications because the City’s chosen strategy is reconstructing the worst first based on a data-driven process, etc.

The Administration would greatly appreciate policy guidance from Council that establishes an agreeable allowance for CIP staff to disqualify applications that are not within the required funding amounts, are in

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violation of a City code, or if an application violates a stated City position in an adopted master plan or other policy document.

The Administration would also request Council allowance to phase out constituent applications for street reconstructions as City staff have developed an equitable and data-driven approach to these improvements.

4. Resources to Support Constituent Applications – The Council may wish to discuss with the Administration the need to address geographic equity issues with additional targeted City resources for neighborhoods that submit few or no constituent applicants. Some Council Members expressed interest in being proactive to support constituent applications from neighborhoods with higher poverty rates. Some constituents and CDCIP Board Members commented at public meetings that they felt like some projects get more support from departments than others.

The CIP team is in the process of uploading all projects to a centralized database. We anticipate this will be completed within the next 60 days. We request the opportunity to provide an analysis to Council of the funding allocated by various Council districts, zip codes, neighborhoods, or other relevant demographic information.

Following this analysis, CIP staff would like to hold community meetings in areas with the least funding awarded to provide hands-on, pre-submission workshops in multiple languages.

The CIP Team is proposing a new “CIP Collaborative” that will offer high level assistance with division staff and education about the CIP and its application process. This initiative would include engagement components such as:

- CIP Handouts/Brochures (English & Spanish) available at the City’s libraries and other public buildings and distributed to Community Councils (Liaisons) that provide the CIP details and appropriate contact information for inquiries
- “CIP Collaborative” meeting(s) held sometime in July or August of each year that give constituents an opportunity for facetime with the appropriate City division for a Q&A session and to educate and develop a feasible project scope for their application prior to submission deadlines
- Broadening of the Constituent application timeline to allow more time for collaboration and submission
- Regular communication with all Community Council Liaisons to ensure transparency of the CIP process and any updates
- Staff attendance at Community Council Meetings (as requested) to educate and inform Constituents on CIP criteria and the process to apply

Note: The intention in broadening the constituent timeline and adding an engagement element is to give staff more time to assist the applicants, not to discourage submissions but rather, encourage complete and feasible project scopes that meet the CIP eligibility criteria.

5. Move \$200,000 Ongoing Property Maintenance Expenses Out of Surplus Land Fund – The Council may wish to discuss with the Administration how to advance this legislative intent. The Council may also wish to ask the Administration what challenges exist to provide an accounting of vacant building maintenance costs and whether a property management contract approach could be more efficient. See Additional Info section for more on the Surplus Land Fund. In Budget Amendment #1 of FY20 the Council adopted the following legislative intent:

The Council expresses the intent to fund ongoing property maintenance expenses out of the Public Services Department and/or Community and Neighborhoods Departments’ (CAN) budget rather than

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continuing to use one-time revenues from the Surplus Land Fund. The Council requests the Administration include this approach based on actual expenses in the Mayor’s Recommended Budget for FY2021. This approach builds upon the Council’s FY19 decision to shift funding for a CIP-related FTE away from the Surplus Land Fund and into CAN’s base budget.

Full building maintenance costs are different than basic measures taken to preserve a vacant building in its current condition until it can be developed, improved, or disposed of. Public Services has performed basic measures only, and these costs are difficult to quantify because they comprise call-back, overtime, and lost productivity time in addition to materials and supplies. Facilities bills CAN for some of its expenses, but personnel costs cannot be billed. Most of the expense paid by CAN for FY21 was for security services to patrol and respond to break-ins. Public Services is preparing asset stabilization plans for each vacant property (Warm Springs, Fisher Mansion, Fleet Block, Old PSB, Glendale Water Park). Plans will include immediate measures Facilities can take to mitigate and repair damages. Some funding for stabilization is included in the proposed bond that will hopefully prevent further asset degradation. We are also continuing to investigate contracted property management companies that will perform the basic work currently done by Facilities and respond to after-hours calls from the alarm systems if they are workable. When final plans are prepared, they will include recommendations for funding and possible outsourcing. If the long-term management of these buildings is shifted to the Facilities portfolio, FTE’s will be required.

CAN has also recently kicked off a Community Land Trust study that will contemplate the structure and governance of a third-party entity that provides profession asset and portfolio management over agreed upon City properties.

6. CIP Project Status Reports – The Council may wish to ask the Administration about mechanisms to facilitate the up-to-date sharing of information on current CIP projects. In the past, there were a variety of mechanisms to share information, ranging from topic by topic email requests to consolidated monthly Page | 6 reports. Council Members could then quickly provide accurate/timely information to interested constituents.

The CIP team is in the process of uploading all projects to a centralized database. We anticipate this will be completed within the next 60 days.

7. Additional 0.20% County Sales Tax for Transit Option (not currently collected/levied) – The State Legislature authorized this optional county sales tax for transit capital improvements and services. The Council may wish to ask the Administration about any discussions with the County or plans regarding this potential funding source. For example, could partnering with the County help implement the City’s Transit Master Plan, downtown TRAX loop and/or undergrounding railway lines that divide the City? Under current state law, the option to enact the additional sales tax expires at the end of FY23.

Transportation coordinates regularly with the County on funding opportunities. So far, we haven’t heard much interest from the County on levying this tax. The Division will continue to push Salt Lake City projects forward with both UTA and the County so that they are well positioned for potential new revenue sources like this one.

8. Capital Facilities Plan (CFP) – The Council may wish to ask the Administration for a status update on the CFP (10-Year Comprehensive CIP Plan). It’s envisioned as a living document that prioritizes capital needs across City plans and departments within funding constraints. The Council held a briefing in January 2019 about a draft of the plan. See Attachment 6 for the Council’s potential policy goals, metrics, and requests.

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9. Balancing Funding for Streets and Transportation – The Council may wish to discuss with the Administration how to balance funding for streets and transportation in coming years between Class C funds which goes to street reconstructions and overlays with the new County 1/4¢ sales tax which goes to transportation. Both of those funding sources are eligible for streets and transportation uses but are only going to one of the two uses. There may be a need for greater ongoing streets funding when the voter-approved 2018 Streets Reconstruction Bond funds are all spent.

The needs for both street reconstruction and multi-modal transportation projects far exceed the funding available from these two sources. While it may appear that these two funding sources are spent independently, they are often blended on projects to ensure that reconstruction projects include the full suite of complete streets elements. Transportation will continue to collaborate to ensure further integration in future years.

Engineering ran an analysis using Cartegraph that determined we would need an additional \$20 million per year just to get back to an overall average OCI score of fair condition. The Division is currently working to refine this analysis so it can be presented to Council/Administration in the next 6 months.