

1.

FYI – Project Timeline: (subject to change per Chair direction or Council discussion)

Briefing -

Set Public Hearing Date -

Hold hearing to accept public comment -

TENTATIVE Council Action -

Staff Recommendation -



MOTION SHEET

CITY COUNCIL *of* SALT LAKE CITY

TO: City Council Members

FROM: Allison Rowland
Budget and Policy Analyst

DATE: June 6, 2023

RE: ORDINANCE: BELOW MARKET RENT FOR LEASE OF PROPERTIES LOCATED AT 1300 SOUTH AND 800 WEST FOR URBAN FARMING PROGRAMS

MOTION 1 – CLOSE PUBLIC HEARING

I move that the Council close the public hearing and defer action to a later date.

MOTION 2 – CONTINUE PUBLIC HEARING

I move that the Council continue the public hearing on a future date.



Public Benefits Analysis for Glendale Farming Programs

City Council Presentation, June 6th, 2023



Public Lands

Parks | Trails & Natural Lands | Urban Forestry | Golf

[illegible]

-  Former Cannon Greens Community Garden
-  Vacant Parcels
-  Leased to the International Rescue Committee (IRC)



Background

- The IRC was issued their lease for the New Roots program. After investing \$40,000 in clean up and improvements on the property, the soil was determined to be too contaminated for in-ground planting. This put plans for the property on hold in 2019.
- Due to the contamination found on the IRC's leased parcels, the Cannon Greens garden was tested and determined to have similar contamination. The garden was closed in 2019.
- In 2022, Council funded remediation of the Cannon Greens site through CIP. Soil testing and excavation was conducted spring 2023.



Urban Farming Programs

IRC New Roots

- Provides agricultural space and technical assistance to refugees.
- Supports the economic development of farmers through local markets. Farmers generated over \$235,000 in revenue in 2022.

WCG Green Team Job Training Program

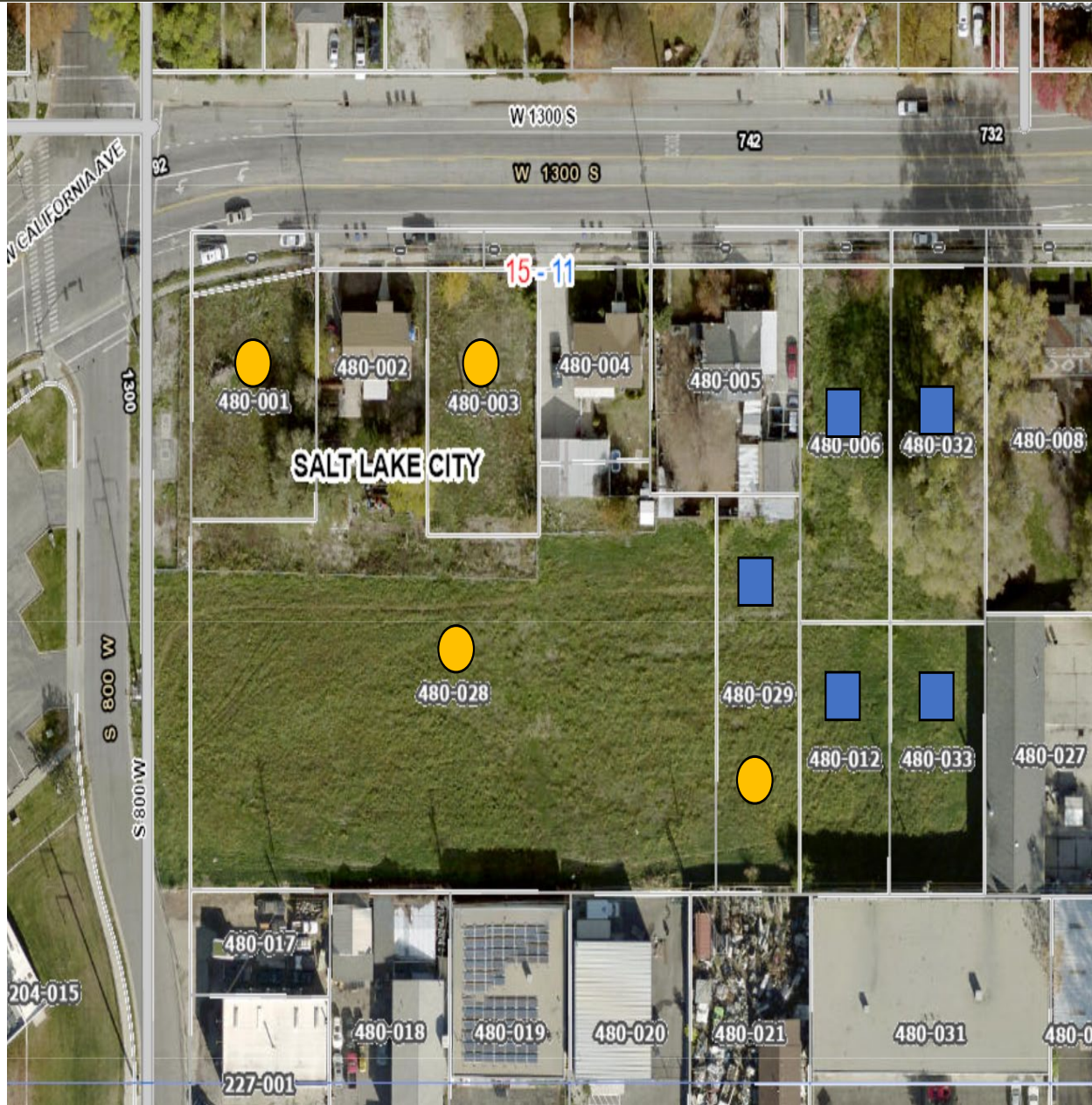
- Provides farm-based employment, mentorship, and training for women experiencing homelessness.
- In 2021, grew and sold 40,000 seedlings, provided food to 13 community agencies, and served 11,000 community members.



Public Lands

Parks | Trails & Natural Lands | Urban Forestry | Golf

Proposed Uses



■ Wasatch Community
Gardens Green Team
Job Training Program
(Currently housed at
Green Phoenix Farm)

● IRC New Roots



Public Lands
Parks | Trails & Natural Lands | Urban Forestry | Golf

Proposed Lease Terms

	Existing Lease	Proposed New Lease
Property	1.66 acres	2.41 acres
Lease Holders	IRC	IRC and WCG
Term	5 years with option for one 5-year renewal	5 years with option for renewal up to four in 5-year terms (25 years total)
Rate	\$1/year	\$1/year
Program	New Roots	New Roots, Job Training Program



Public Lands
Parks | Trails & Natural Lands | Urban Forestry | Golf

Public Benefits

The Market Lease rate was determined to be \$77,400.

In exchange for a reduced lease rate, the City receives the following public benefits:

- Activation of Vacant Property/Improved Environmental Health
- Economic Development and Stability
- Improved Food Access and Food-Growing Education
- Support for Refugees, Women Experiencing Homelessness, and Low-Income Populations



Salt Lake City's Goals

Without this transaction, these programs would not be able to operate in the city due to high cost of land.

This transaction would help the City attain the goals identified in the following documents:

- 2015 Plan Salt Lake
- 2021 Salt Lake City Food Equity Recommendations for Future Success
- Mayor's 2022 Plan



CITY COUNCIL TRANSMITTAL


Lisa Shaffer, Chief Administrative Officer

Date Received: 05/04/2023
Date sent to Council: 05/04/2023

TO: Salt Lake City Council
Darin Mano

DATE: April 19, 2023

FROM: Mary Beth Thompson, Chief Financial Officer 
Katherine Lewis, City Attorney 
Katherine Lewis (May 4, 2023 07:50 MDT)

SUBJECT: Authorizing below market leases to the International Rescue Committee (IRC) and Wasatch Community Gardens (WGC) for eight city-owned parcels, totaling 2.41 acres, for the operation of urban farming programs: Public Benefit Analysis under Utah Code Section 10-8-2.

SPONSOR: NA

STAFF CONTACT: Randy Hillier, Policy and Budget Analyst (801) 535-6606,
Kimberly Chytraus, City Attorney (801) 535-7685
Kristin Riker, Director of Public Lands Department (801) 972-7804

DOCUMENT TYPE: Public Benefits Analysis and Recommendation

RECOMMENDATION: The Administration recommends that a public hearing be held on the matter of the Public Benefits Analysis and to consider adopting a resolution authorizing the leases to the International Rescue Committee (IRC) and Wasatch Community Gardens (WGC) for eight city-owned parcels, totaling 2.41 acres, for the operation of urban farming programs.

BUDGET IMPACT: NA

BACKGROUND/DISCUSSION: Salt Lake City Public Lands (Public Lands) is proposing authorization of leases to the International Rescue Committee (IRC) and Wasatch Community Gardens (WGC) for eight city-owned parcels, totaling 2.41 acres, for the operation of urban farming programs.


IRC currently leases four of the parcels at the rate of \$1 per year for a five-year period. The lease was renewed for a second five-year period in 2022. IRC plans to use the site for its New Roots

program which provides community garden space to immigrants and resettled refugees to provide space to grow culturally relevant produce, farming education, and economic opportunity through farmers markets. WCG and IRC desire to jointly lease all 8 parcels for their collective operations.

WCG will operate its Job Training Farm, which provides employment and mentorship for women facing homelessness while also improving ecological function in urban spaces. This would replace the current location, known as the Green Phoenix Farm. Co-locating these programs allows for synergies in site layout and public benefits.

Public Lands would like to execute a new lease for all eight parcels jointly to IRC and WCG at a rate of \$1 per year for a 5-year term, with options to renew for 4 additional 5year terms (for a total term of 25 years).

PUBLIC PROCESS: Public Hearing


Alejandro Sanchez (May 4, 2023 12:11 MDT)

RESOLUTION NO. ____ OF 2023

Authorizing Below Market Rent for Lease of Properties Located at 1300 South
and 800 West for Urban Farming Programs

WHEREAS, the Salt Lake City Department of Public Lands has proposed the authorization of a lease jointly to the International Rescue Committee (IRC) and Wasatch Community Gardens (WCG) (each of which is a nonprofit entity) for eight City-owned parcels of land, totaling 2.41. acres, for the operation of urban farming programs; and

WHEREAS, IRC currently leases four of the parcels at the rate of one dollar per year for a five-year period. The lease was renewed for a second five-year period in 2022. IRC plans to use the site for its New Roots program that provides community garden space to immigrants and resettled refugees to provide space to grow culturally relevant produce, farming education, and economic opportunity through farmers markets; and

WHEREAS, WGC and IRC desire to jointly lease from the City all eight parcels for their collective operations. WGC will operate its Job Training Farm, which provides employment and mentorship for women facing homelessness while also improving ecological function in urban spaces. This would replace the current location, known as Green Phoenix Farm. Co-locating these programs allows for synergies in site layout and public benefits; and

WHEREAS, Utah Code Section 10-8-2(1)(a)(v) allows public entities to provide nonmonetary assistance and waive fees to and for nonprofit entities after a public hearing; and

WHEREAS, Public Lands would like to execute a new lease for all eight parcels jointly to IRC and WCG (the “New Lease”) and provide nonmonetary assistance in the form of a below-market lease rate of one dollar per year for a five-year term, with options to renew for four additional five-year terms (for a total of 25 years) (the “Lease Fee Waiver”); and

WHEREAS, although Utah Code Section 10-8-2 does not require a study for such nonmonetary assistance and fee waivers, in this case the City Administration voluntarily performed an analysis (the "Analysis") of the public benefits of providing the Lease Fee Waiver to IRC and WCG, which Analysis was included in the transmittal to the City Council before the public hearing; and

WHEREAS, the City Council has, following the giving of not less than 14 days public notice, conducted a public hearing relating to the foregoing, in satisfaction of the requirements of Utah Code Section 10-8-2; and

WHEREAS, the City Council has reviewed the Analysis, and has fully considered the conclusions set forth therein and all comments made during the public hearing;

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

1. The City Council hereby adopts the conclusions set forth in the Analysis, and hereby finds and determines that, for all the reasons set forth in the Analysis, the Lease Fee Waiver is appropriate under these circumstances.

2. The City Council hereby authorizes the City administration to negotiate the New Lease and execute the New Lease and any other relevant documents consistent with this Resolution and incorporating such other terms and agreements as recommended by the City Attorney's office.

Passed by the City Council of Salt Lake City, Utah, this ____ day of _____ 2023.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM: Salt Lake City Attorney's Office <i>Boyd Ferguson</i> Boyd Ferguson, Senior City Attorney Date: <u>4-19-2023</u>

MEMORANDUM

TO: Lisa Shaffer, Chief Administrative Officer

FROM: Kristin Riker, Director of Public Lands Department

DATE: April 3rd, 2023

SUBJECT: Informal Analysis of Public Benefits Provided by Below-market Lease of properties located at 1300 South and 800 West for Urban Farming Programs

REQUEST: The Administration requests a public hearing and vote on the lease terms outlined in the following analysis.

INTRODUCTION

Salt Lake City Public Lands (Public Lands) is proposing authorization of leases to the International Rescue Committee (IRC) and Wasatch Community Gardens (WCG) for eight city-owned parcels, totaling 2.41 acres, for the operation of urban farming programs.

IRC currently leases four of the parcels at the rate of \$1 per year for a five-year period. The lease was renewed for a second five-year period in 2022. IRC plans to use the site for its New Roots program which provides community garden space to immigrants and resettled refugees to provide space to grow culturally relevant produce, farming education, and economic opportunity through farmers markets.

WCG and IRC desire to jointly lease all 8 parcels for their collective operations. WCG will operate its Job Training Farm, which provides employment and mentorship for women facing homelessness while also improving ecological function in urban spaces. This would replace the current location, known as the Green Phoenix Farm. Co-locating these programs allows for synergies in site layout and public benefits.

Public Lands would like to execute a new lease for all eight parcels jointly to IRC and WCG at a rate of \$1 per year for a 5-year term, with options to renew for 4 additional 5-year terms (for a total term of 25 years).

LEGAL FRAMEWORK

Under Utah law, after first holding a public hearing, a municipality may “authorize municipal services or other nonmonetary assistance to be provided to a nonprofit entity, whether or not the municipality receives consideration in return.” Utah Code §10-8-2(1)(a)(v). Because both IRC and WCG are nonprofit entities, the City may reduce rent it would ordinarily be required to receive for use of the City Property so long as the municipal legislative body first holds a public hearing regarding the waiver and

authorizes the Administration to reduce rent rates for IRC and WCG to operate their New Roots and Job Training Farm programs.

Utah Code §10-8-2(3) outlines the purposes for which a municipal body may appropriate funds as “for any purpose that, in the judgment of the municipal legislative body, provides for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality.” The factors that must be considered in determining the propriety of such an appropriation or waiver if made to any type of entity or individual other than a nonprofit entity as set forth under Utah Code §10-8-2(3)(e). Here, it may be helpful to consider the same factors:

- (1) The specific benefits (including intangible benefits) to be received by the City in return for the arrangement;
- (2) The City’s purpose in making the appropriation, including an analysis of how the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of the residents of Salt Lake City will be enhanced; and
- (3) Whether the appropriation is “necessary and appropriate” to accomplish the reasonable goals and objectives of the City in the area of economic development, job creation, affordable housing, blight elimination, resource center development, job preservation, the preservation of historic structures and property, and any other public purpose.

BACKGROUND OF THE PROJECT

IRC was granted a lease in 2017 of four parcels totaling 1.66 acres (noted in yellow below) for operation of the New Roots program. The reduced rate for the existing lease was approved because the rent charge was determined to be equal to the value of in-kind contributions of IRC to the property which included watering, weeding, and site improvements. IRC completed projects on site including installing water lines, including backflow preventer and three spigots on the property, installing permanent perimeter fencing, grading of the site, and hauling of debris, landfill fees, and soil testing. IRC has invested over \$40,000 to date in the development of the site for the New Roots program, including material improvements to the property and staff time. Through routine soil testing, in 2019 elevated levels of contaminants were found on the site which halted further development on the site until remediation funding could be secured.

WCG operated the Cannon Greens Community Garden site (shown in purple below) between 2012 to 2019 as part of the Green City Growers program. The parcels total 0.36 acres and are adjacent to the parcels leased by IRC. Upon discovery of contamination on the IRC’s parcels in 2019, WCG and the City sampled soil in the Cannon Greens garden. Similar contamination levels were discovered which led to the closing of the garden.

In August 2022, City Council funded a Capital Improvement Project for Urban Farm Development which included \$150,000 to conduct a risk assessment and remediate

these parcels. The following site plan was developed to create synergies between both programs to maximize the benefit of the remediation funds as well as ensure best outcomes for participants and the public.

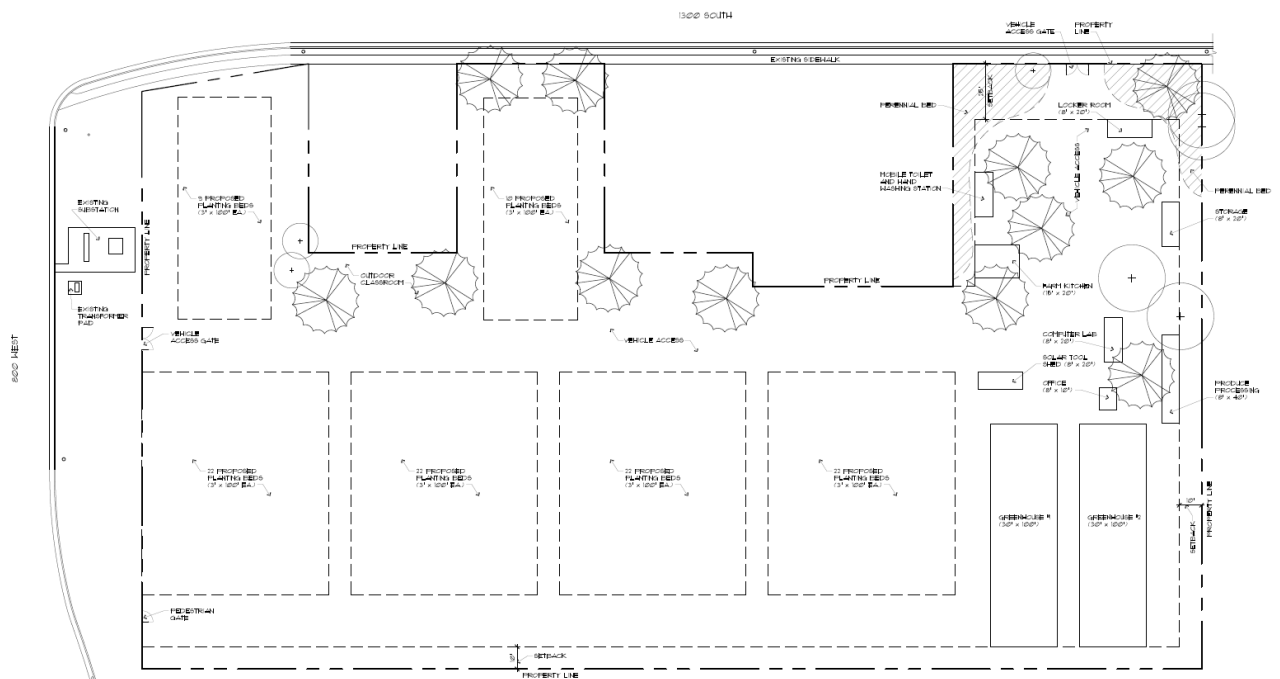
Existing Conditions Map



Table 1. List of City Owned Parcels

Historic Use	Parcel ID	Address	Acres	Zone
Former Cannon Greens Community Garden	15-11-480-001	789 W 1300 S (California Ave)	.18	R-1-7000
Former Cannon Greens Community Garden	15-11-480-003	773 W 1300 S (California Ave)	.18	R-1-7000
Glendale Farm – IRC Lease	15-11-480-028	1333 S 800 W	1.17	PL
Glendale Farm – IRC Lease	15-11-480-029	1333 S 800 W	.20	PL
Glendale Farm – IRC Lease	15-11-480-012	747 S 1300 S	.14	PL
Glendale Farm – IRC Lease	15-11-480-033	741 W 1300 S	.15	PL
Vacant	15-11-480-006	743 W 1300 S	.19	R-1-7000
Vacant	15-11-480-032	741 W 1300 S	.20	R-1-7000

Proposed Site Plans



LEASE AND PUBLIC BENEFITS PROVIDED

I. Terms of Below-market Lease; Costs to the City

If this property was leased at market rate, the expected lease rate could be \$77,400 annually. This market lease rate was determined by Real Estate Services through their standardized lease value calculation using property values assigned by the Salt Lake County Assessor. Using these property values, an average value per square foot is calculated and then applied across the total square footage to determine the 100% Lease Fee Value. The City's standard rate of return is 8% which equals \$77,400. However, it is important to note that these land valuations do not factor in the contamination on the properties. The soil contamination across these properties would net a lower market lease rate.

We are requesting that the property be leased at a rate of \$1 per year, in exchange for the public benefits described below as well as the care of and improvements on the property. This lease rate mirrors the existing rate that the IRC holds for their current lease. For the IRC lease, this rate was determined appropriate because the value of regular maintenance and capital improvements on the property was calculated to be equal to the market rent rate.

Parcel	Acreage	Land Value
15114800280000	1.17	\$392,400
15114800030000	0.18	\$100,500
15114800010000	0.18	\$100,500
15114800290000	0.2	\$67,100
15114800120000	0.14	\$47,000
15114800330000	0.15	\$50,300
15114800060000	0.19	\$103,300
15114800320000	0.2	\$106,400
TOTAL	2.41	\$967,500

Lease Factor Rate	8%
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Annual Lease Rate	\$77,400
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Land Value = 2022 tax value

II. Public Benefits Provided by Lease

The proposed below market lease on these properties is critical for allowing these organizations to operate these programs which provide many public benefits to the city. The cost of land is one of the biggest barriers for the operation of these programs. Without a below rate lease, these programs would not be able to operate. In exchange for the below market lease, the city would receive the following public benefits:

- Activation of Vacant Property and Improved Environmental Health

Currently, the lots are vacant and unutilized. They are overgrown with weeds which has created safety concerns. These organizations would provide infrastructure and programming for full beautification and activation of over two acres in the Glendale community. Both organizations utilize regenerative agriculture practices which would restore the ecology of a vacant urban lot, introduce composting and organic growing methods, provide beneficial insect habitat, utilize waterwise irrigation, and emphasize focus on farming that returns carbon from the atmosphere to the soil.

- Economic Development and Stability

One of the key facets of both programs is improving economic development and stability for their participants. In 2022, the New Roots program helped 41 farmers generate over \$235,000 in revenue through produce sales. This would be expanded by the operation proposed for this site. The Job Training Farm's 5-year SROI is 2.96. For every dollar spent over the course of five-year farm operation, \$2.96 returns to the local economy. Furthermore, if estimating these women will work for at least five more years and assuming an employment fulfillment rate of 88% and a discounting yearly rate of five percent, the five-year net present value of just one year's farm investment is \$5.8 million.

The Green Team Job Training Program (currently operating at the Green Phoenix Farm) provides employment, mentoring, and job training to women facing homelessness through a partnership with Advantage Services. By working part-time, undergoing job/life skills training, and engaging in one-on-one advocacy and support, our Green Team participants leverage the farm experience as a way to address barriers in their lives. The program serves as a crucial "stepping stone" for women who are working towards the goal of stable housing and employment.

- Improved Food Access and Food-Growing Education

The New Roots program will leverage the skills and knowledge of refugee community members to improve culturally appropriate food access and health and wellbeing outcomes. The New Roots farm incubation program provides low-cost land access, technical assistance, and training to refugee farmers on topics including business development, climate-specific production, food safety, and local marketing.

The Job Training Farm grows over 40,000 seedlings at its current location which, in 2021, were sold to over 3,000 individuals in Salt Lake County. This represents

thousands of households who are able to plant organic, locally grown seedlings to feed their families as well as share with their neighbors and community.

- Support for Refugees, Women Experiencing Homelessness, and Low-Income Populations

New Roots is a multi-faceted food security and agriculture program founded in 2010 that offers refugees, many of whom come from agricultural backgrounds, opportunities to engage in the local food system. Through economic development opportunities and improved access to culturally appropriate foods, this program provides stability and community for refugees new to our city.

WCG's Job Training Farm operating at the Green Phoenix Farm location provides employment and mentorship for women facing homelessness. In 2021, over 11,000 community members were served by WCG's programs, events, and produce donations, the majority of whom were from low- and moderate-income households. The same year, 88% of Green Team participants left the program with stable housing and 78% of Green Team participants attained reliable employment within one month of the program. Additionally, thirteen community agencies received food from the farm, including Advantage Services, Comunidades Unidas, Neighborhood House, Palmer Court, Volunteers of America, and YWCA. Through these partners, WCG increased access to fresh, local, organic food for families in our community.

III. Salt Lake City's Purposes and Enhancing the Quality of Life for Residents.

Approval of this transaction is a valuable step towards achieving better equity outcomes in two ways 1) investment and activation of underutilized space on the west side which provides valuable services to nearby communities, and 2) specific programming and services for local immigrant, refugee, and unsheltered communities which are among the most underserved in our City. This transaction would activate currently unused lots which enhances sense of safety and neighborhood character in this area. The transaction would allow for full utilization of all eight parcels through programs that increase health, prosperity, and well-being for program participants, neighbors, and the broader community. These programs also provide education and economic opportunity which helps strengthen and build resilience in these communities.

IV. Accomplishing Salt Lake City's Goals.

The below market lease is necessary and appropriate to achieve the outlined goals. The high cost of land is a prohibitive obstacle to urban farming operations in the city. Reducing rents ensures these programs can continue to support food equity, community education and empowerment, and economic resilience.

Entering into this lease meets several goals the City has identified related to urban agriculture, food equity, and food access. The Resident Food Equity Advisors released the Salt Lake City Food Equity Recommendations for Future Success in 2021. The programs benefiting from this transaction align with many of the ideas in this report which include:

- Building agency and self-reliance in residents,
- Supporting nature and building a healthier city environment,
- Providing access to food that is culturally, personally, and spiritually relevant, and
- Providing financial support, learning opportunities and building skills.

This transaction also aligns with an initiative from the 2015 Plan Salt Lake vision: “Support urban agriculture and local food systems that produce healthy and sustainable food for the community, while providing valuable open space.” Additionally, activation of this site was specifically identified in the Mayor’s 2022 Plan: “Begin a community process for putting the city parcels east of Sorenson Center back into a productive community use.”

CONCLUSION

Approving a below market lease to the IRC and WGC will allow the New Roots program and the Job Training Farm to continue and expand operations in the city, providing some of our most vulnerable residents with education and valuable skill-building, economic opportunities, self-sufficiency, and healthy foods for themselves and their families. Their tenancy will further activate and beautify currently unused space near a valuable resource center. The costs to the City of providing a below-market lease rate are outweighed by the tangible and intangible benefits to the City.

It is recommended that the City execute a new lease to the International Rescue Committee and Wasatch Community Gardens for the lease rate of \$1 per year for five years, with option to renew for 4 additional 5-year terms (for a total term of 25 years) in exchange for the tangible and intangible benefits to the entire City for the public purpose of accomplishing the City’s goals and objectives in the areas of food equity and access, public health and wellness, economic development, and beautification.