

TRCC Advisory Board  
August 28, 2009  
Salt Lake County Government Center, N2003  
10:30 pm

Minutes

**Citizen input:** none

**Follow-up on action items from the last meeting:**

In a follow-up to previously discussed business, Mayor Cullimore inquired whether Vasilios Priskos would be bringing forward a justification on why it would be advantageous for the Benihana/Blue Iguana building to remain in the public realm. Vasilios indicated he would need more information from the County in order to do so and that he would get together with Erin Litvack, the Director of Community Resources, to review the information and would come back to the board with a formal opinion.

**Presentation of Cultural Facilities Master Plan by Phil Jordan, Center for the Arts Division**

**Director:** Phil's presentation made the following points:

- Acknowledgement of Mayor Seghini's role in the master plan process and Vasilios' participation on the master plan committee.
- Essence of plan is the future of public funds for cultural facilities and potential facilities throughout the County.
- Had a broad level of participation by the public, arts groups and government representatives.
  - 130 County-wide facilities were inventoried.
  - Identified 60 potential projects, in various stages of planning, and analyzed their existing & potential funding mechanisms
  - Created a needs assessment by region, using the regional boundaries already used in the Parks & Rec master plan
  - Identified a need for a process to vet & fund projects
  - Identified need for as many as three regional cultural centers

It was pointed out that while the County Council accepted the master plan document on April 7, 2009, they did not approve the AMS recommended project list. The projects will be reviewed on a case-by-case basis in the future.

The process is still being developed but it is envisioned to have three distinct areas of review

- 1) Administrative & eligibility review
  - a. Requirements are still being developed
- 2) Application readiness review
  - a. Technical assistance would be provided
- 3) Funding support evaluation

The project would then go to either a capital support program to build/fund it and/or go to an operational support program to receive operational subsidization, similar to ZAP.

The facility task force has been formed and is working to finalize the process.

Mayor Cullimore inquired how the intent of the task force correlates with the project recommendation process the TRCC Board has been tasked with developing.

Erin Litvack explained that the interface is still being discussed and a final decision on how the relationship will work has not yet been made. She explained that there are challenges that need to be overcome to keep the process from becoming onerous for the cultural projects, while still having them vetted by the Board. There is an additional complexity due to the fact that the Board makes recommendations to the Council, not the Mayor.

Mayor Cullimore stated he did not want a scenario where the Board is simply opining on the Mayor's recommendations, but rather has input before the Mayor's final decisions. Additionally, while the Board's task is to examine TRCC-related expenditures, they cannot make sound recommendations without understanding how related expenditures are being funded and whether there is room to shift funding.

Mayor Cullimore stated that he didn't want to see the duties of the Board to expand to include reviewing everything that *could ever* be TRCC funded, but any project that does come before the Board should have, as part of the background, what other funding sources could help with this as well as a list of other projects the County has funded in the immediate area.

Doug Willmore, the Mayor's Chief Administrative Officer, stated that he expects to bring suggested criteria the Board can use to review projects within the next couple of TRCC Board meetings.

Mayor Cullimore requested that the Mayor provide a flow chart that outlines how the Mayor's administration foresees how the Board interacts with the rest of the budgeting process.

1:15

### **Report on the TRCC fund and projections for 2010 and 2011:**

Darrin Casper presented the updated fund projections. Revenue projections are substantially lower than previously projected. Even though the Utah economy continues to fare better than the national economy and Salt Lake County's economy is being bolstered by a number of large private and public construction projects, car rental and transient room taxes are highly dependent on the national economy and thus volatile. The revenue change between 2007 & 2009 is -\$2.57 million. The revised projection for car rental tax is -\$2.5 million, the same level it was in 2005. Additionally, two expense items were added since the last presentation, the Sandy amphitheater contribution & Cultural Celebration Center contribution.

Revenue projections through 2012 should be viewed as realistic, but aggressive. Darrin projects that over the next 3 to 4 years, the tax will rise back to the 1% annual growth line, though this could be hampered by lower rental rates. Transient room tax is projected to follow a similar

trajectory. Restaurant tax revenue is holding steady and Darrin projects a continuation of the historical 5% growth rate, assuming no changes to the tax. Assuming the projections are correct, we will begin to see a \$2 million per year structural surplus in the fund between 2012 & 2014. In 2015, a significant amount of debt service drops off, increasing the surplus to \$8 million per year.

Until 2012, the fund is structurally unbalanced and will require further budget adjustments, which will primarily be seen in changes to the fund balance transfers. Previous reductions in transfers to the Center for the Arts and Salt Palace were intended to continue the parks & recreation transfer to the General Fund, which is in trouble. It is possible that due to additional budget cuts, the transfers may be even less for 2010.

During the presentation, it was discussed that because TRCC funds were used to purchase the properties for the Capital Theater expansion, the rents from the Benihana and Blue Iguana should be in the TRCC fund. Darrin agreed that the rents should be included in the revenue figures for the TRCC fund. The County is in the process of getting this on the market this year, as Facilities is not comfortable managing the property and there is concern about it being a potential liability. Several board members indicated a possible desire to keep the property for other uses and Vasilios Priskos was asked to prepare a proposal to keep the property.

Mayor Cullimore suggested there are two ways the board could approach the 2010 budget question, 1) a proactive approach where the board outlines their priorities or 2) wait until the County has taken a first cut and then respond. Because there are no additional discretionary funds for projects until 2012, Mayor Cullimore suggested the board focus on weighing in on the necessary adjustments to balance the fund and look at the future recommendation process (weighing new projects vs. maintenance of existing assets). There was a consensus opinion that more focus was needed on maintenance of existing assets. The board generally agreed to wait and see the County's proposal.

**Begin discussion of methods for recommending TRCC projects:**

Discussion forwarded to the next meeting

Meeting adjourned.