

MEMORANDUM

September 14, 2021

To: City Council Members

CC: Mike Applegarth, Council Executive Director

From: Zach Robinson, Council Member At-large

Subject: First Reading: Alta Canyon Recreation Special Service District Administrative Control Board

Introduction and Background

In the Spring of 1981 Citizens of the Alta Canyon Community met with Sandy City officials to begin the process of creating a Special Service District aimed at providing recreation facilities and services to the Community (Sandy Resolution 81-33C). Later that Summer the City published all necessary notices, held the required comment periods, and gathered any protests, prior to passing a resolution creating both the AC SSD (Sandy Resolution 81-47C) as well as the initial Board (Sandy Resolution 81-50C).

The resolution that created Alta Canyon (AC) in 1981 stated: “The City Council of Sandy City, Utah, believe that the public health, convenience and necessity require the construction...of the Alta Canyon Recreation Special Service District” (Sandy Resolution 81-47C). I believe that this statement holds true to this day. Furthermore, I feel that the Center as it stands deserves significant attention and improvement. I’d encourage the Council to do everything in its power to both ensure and expedite a successful future for this important amenity. The first step is to discuss the current governing structure of the Alta Canyon Recreation Special Service District (SSD)

On August 17th the Council adopted the timeline and incremental decision-making process that I proposed for the Alta Canyon Sports Center. The first item on the timeline is a discussion and decision regarding the governing structure of the Alta Canyon Recreation Special Service District. The major question that the Council needs to answer is: Should the AC Administrative Control Board (Board) remain and function as currently designed, or should the Council reevaluate the governing structure of the AC SSD?

Governing Authority of the Council and the Board

Upon creation of the Board, the Council delegated some of its governing authority. “Each special service district shall be governed by the legislative body of the county or municipality that creates the special service district, subject to any delegation under this section of a right, power, or authority to an administrative control board” ([UCA 17D-1-301](#)). The Utah Special Services District Act (the act) allows the City Council to delegate the following rights, powers, and authority of an SSD (Those powers that have been delegated to the AC SSD Board by the Council are highlighted in green):

1. Enter a contract that the governing authority (City Council) considers desirable to carry out SSD's functions.
2. Acquire and construct facilities
3. Acquire real or personal property
4. Sell, convey, lease, exchange, transfer or otherwise dispose of the SSD's property or assets
5. Mortgage, pledge, or otherwise encumber the SSD's property or assets
6. Enter a contract with respect to the use, operation, or maintenance of the SSD's property or assets
7. Accept a government grant or loan
8. Use an officer, employee, property, equipment, office, or facility creating City
9. Employ personnel
10. Designate an assessment area and levy an assessment
11. Contract with a public utility
12. Borrow money and incur indebtedness
13. Issue bonds for the purpose of acquiring, constructing, and equipping any of the facilities required for the services the SSD is authorized to provide
14. Impose fees or charges for services provided by the SSD
15. Provide service to an area outside of the SSD's boundary
16. Provide additional services that the governing body (City Council) determines will more effectively carry out the purpose of the SSD
17. Adopt an official seal

With respect to the governance of the SSD, the Act expressly prohibits the Council from delegating the following powers:

1. Annex an area into an existing SSD, or add a service within the area of an existing SSD
2. Designate the classes of SSD contracts
3. Levy a tax
4. Issue bonds payable from taxes
5. Hold an election for the authorization of a property tax or bond issuance
6. Levy an assessment
7. Issue interim bonds payable from an assessment
8. Appoint a board of equalization

Regardless of any delegations of authority to the Board by the Council, and according to the Special Service District Act, "a county or municipal legislative body that has delegated a right, power, or authority under this section to an administrative control board may at any time modify, limit or revoke any right, power, or authority delegated to the administrative control board" ([UCA 17D-1-301](#)).

Governing Structure Options

The Council has three options regarding the governing structure of the AC SSD:

Option 1: Maintain status quo

Should the Council choose to take no action regarding the governing structure of AC, I feel as though we'll continue down the path that we've been traveling for the past decade. The Board will continue

lacking the authority to make any substantive changes to save the Center and the Council will continue to push off major decisions while using the existence of the Board as an excuse to be indecisive. In my opinion, and based upon the history of this discussion, this option has a high likelihood of failure.

Option 2: Amend the rights, powers, and authority delegated to the Board

Unfortunately, Utah state law prohibits the Council from delegating the most impactful powers of an SSD to the administrative control board. Decisions related to taxation, annexation, dissolution, and bond issuance (paid from taxes) are all expressly prohibited from being delegated to an administrative control board. The Council is unable to vest the Board with the authority that is required to save the Center. For the same reasons as option 1, I feel that option 2 has a high likelihood of failure.

Option 3: Disband the Board, and retain full authority over the SSD as a Council (either temporarily or permanently)

Important decisions need to be made regarding AC. Enough time has been spent moving the decision down the road. It's time for the Council to take full responsibility for the future of the Center. I believe that the best way to do that is to pursue option 3. This option will allow the Council to work towards a successful future more quickly for the Center. It will help to prevent us from relying on an administrative control board to make decisions that they are explicitly disallowed from making.

My Proposal

While the Council delegated some of its governing authority to the Board in 1981, there's no requirement that we maintain that delegation in its current form. Over the past 40 years much has changed at AC, in the SSD, and in Sandy City. As far as I can tell, the issues and concerns surrounding AC have been a topic of Council conversation for over a decade. As each of us on the Council is fully aware, the city has already taken on a large role in the district. Much of the Center is operated by the City via contract, and most notably, the City has committed large sums of general fund money towards the operations of the Center over many years. We have a responsibility as a Council to make sure the resources we've already committed were not for naught.

As you can tell by reviewing both the powers that have been delegated to the board (green list above) and the powers that remain in the hands of the Council, the issues facing AC are not ones that the Board can overcome. As the governing authority over the SSD the Council needs to reevaluate those powers that were delegated to the Board in 1981. We need to continue streamlining our discussions surrounding Alta Canyon. I believe that the first step in streamlining is for the Council to take full ownership of governing the AC SSD. The adage "too many cooks in the kitchen" applies to the current circumstances surrounding AC. Let's restore the rights, powers, and authorities that were delegated to the Board 40 years ago back to the City Council. Dissolving the Board is necessary for us as a Council to take full ownership and responsibility over the Center as well SSD. It will help us to move forward more efficiently in saving Alta Canyon. Once we've done so and have a clearer picture of the future of AC, we can discuss then whether a new Administrative Control Board should be re-implemented. To that end, I've attached a draft resolution to this agenda item that both restores to the Council the powers that were once delegated and disbands the Board, for the time being.