

SOUTH JORDAN CITY
CITY COUNCIL STUDY MEETING

May 2, 2023

Present: Mayor Dawn Ramsey, Council Member Patrick Harris, Council Member Tamara Zander, Council Member Brad Marlor, Council Member Jason McGuire, City Manager Gary Whatcott, Deputy City Manager Dustin Lewis, City Attorney Ryan Loose, Director of Recreation Janell Payne, Director of Public Works Jason Rasmussen, Director of Strategy & Budget Don Tingey, Director of Commerce Brian Preece, GIS Coordinator Matt Jarman, Senior IS Tech Phill Brown, Director of Administrative Services, Director of Planning Steven Schaefermeyer, City Recorder Anna Crookston, Deputy City Engineer Jeremy Nielson, Meeting Transcriptionist Diana Baun

Absent:

Others: Bryan, Jay Francis, Chris Robinson, Mele Makau, Nick Elmore, Clay Partain, Jay Francis, Grant Farnsworth

4:50 P.M.
STUDY MEETING

A. Welcome, Roll Call, and Introduction: *By Mayor Dawn Ramsey*

Mayor Ramsey welcomed everyone present and introduced the meeting.

B. Invocation: *By City Manager Gary Whatcott*

Manager Whatcott offered the invocation.

C. Mayor and Council Coordination

Council Member Jason McGuire reminded everyone about the Art on the Town and quilt show event this weekend. June 22 is the Bingham Creek Regional Park ribbon cutting, followed by a park celebration. He also asked for an update on the Dowdle Puzzle project.

Deputy City Manager Dustin Lewis shared that everything is in the Dowdle Puzzle Company's hands, they are working on the art currently and we should be seeing the draft around August.

City Manager Gary Whatcott shared that the large community puzzle will be going near the splash pad on Redwood Road, and that's under construction right now. Light the Night will be the kick-off for the puzzle.

Council Member Brad Marlor asked staff for any updates on Bangerter and 9800 South.

Engineering Brad Klavano gave a brief update, sharing that bidding closes in about two weeks and then they will spend about a month evaluating it. The goal is to have a contract with a contractor and designer by July 30, there will then be 3-4 months of design work before they start on construction.

D. Discussion/Review of Regular Council Meeting

Public Hearing Items

- Resolution R2023-10, Regarding the Station Area Plan requirements for the UTA Trax 4800 W. Old Bingham Hwy station.
- Ordinance R2023-07, Amending Section 17.130.050 (PD Zone Requirements) of the South Jordan City Municipal Code creating an exception to the requirement that the applicant enter into a Development Agreement in those instances where the applicant is the City of South Jordan.
- Resolution R2023-24, Adopting a final budget; making appropriation for the support of the City of South Jordan for the fiscal year commencing July 1, 2023 and ending June 30, 2024 and determining the rate of tax, and levying taxes upon all real and personal property within South Jordan City, Utah made taxable by law for the year 2023.
- Resolution RDA 2023-02, Adopting a final budget for the Redevelopment Agency of the City of South Jordan, Utah, for the fiscal year 2023-2024.

Council Member Zander motioned to amend this meeting's agenda and add Item E.2., A UDOT presentation. Council Member Marlor seconded the motion; vote was unanimous in favor.

E. Discussion Item

E.1. Convention Tourism Assessment Area (CTAA) *(By Director of City Commerce Brian Preece and Executive Director Sports Salt Lake Clay Partain)*

Clay Partain reviewed his proposal regarding bringing more sports tourism to the valley-wide area of the county, noting that he and his group work with around 25 venues throughout the valley; they work on strategies to bring more sports tourism to each of those venues through marketing. The Convention and Tourism Assessment Area (CTAA) in other locations is commonly called a Tourism Improvement District, and there are about 200 of them in place and growing. This CTAA would be a 2% fee added to the end of the hotel bill. The paperwork sent to the city prior to the meeting contains examples of what these fees look like in other areas, Salt Lake is on the low side compared to most other places you travel. If the resolution is supported with a yes vote on May 16, this would allow South Jordan to join Sandy and Draper in what is called the South Valley Region CTAA. Those funds would go towards marketing events and initiatives that benefit this specific region of the valley.

Council Member Brad Marlor asked how they would distinguish between a visitor and a resident in terms of charging the additional 2% fee.

Mr. Partain said they have discussed that with some of their hotel partners, and they believe that locals are less than 0.01% of all hotel stays in the county; the vast majority are visitors coming from outside the county. There is no distinguishing between a resident and non-resident in terms of charging the fee. They will have a committee of hoteliers from the area to oversee and handle these funds and the management company would be Business Salt Lake that oversees everything. The funds would be used to leverage more tourism related events in the area.

Mele Makaui with Embassy Suites South Jordan shared some facts that were provided to her by Visit Salt Lake. One in 12.5 workers are employed in the hospitality sector. She has been in the industry for over 30 years, her high school and college aged children, along with her husband, also all work in the hospitality industry. Western States Lodging's Mission Statement is "serving you like family." Western States Lodging and Management has also invested in South Jordan, as they play an important role in lifting the tourism for South Jordan and the surrounding area. They strongly believe in the CTAA, and that it will give the hospitality community more opportunities to bring more business to the city.

Nick Elmore with Springhill Suites noted they have invested in the city with their Springhill Suites property. They also believe in the power of tourism and what it brings to the local economy. Sequoia is not new to hospitality, they actually brought in the first Hyatt to Utah, the Hyatt House in Sandy. They also manage four hotels along the Wasatch Front and own five. Their Springhill Suites South Jordan is one of their flagship properties, and they are very proud to be a part of South Jordan. They also support the CTAA, along with 74% of all the hotels in the overall district.

Mr. Partain said that this last year, House Bill 373 went through, giving them the ability to launch a Tourism Improvement District. Some of those requirements that had to be met were getting at least 60% of all hotels to sign a petition, and they are up to 74% and growing. In large part, the hotels that didn't sign the petition didn't respond. On some of the properties it can be tricky to track down anyone that knows anything about the hotel, they are usually given a number for someone in another state. The other requirements were that each municipality council be allowed to vote and pass a resolution indicating whether they agree with it or not, and that will either allow their hotels to participate or not. By voting yes on this, the council is allowing the hotels in the city to participate in this endeavor to try to get as much out of tourism as they can. If the city votes no, then the hotels within the South Jordan municipality will not be able to participate in the CTAA and will not benefit from them. Visit Salt Lake represents the county for tourism, and they are continuing to work hard to represent the whole county when it comes to growing tourism. Regarding South Jordan, Sports Salt Lake has spent the better part of a year courting the American Junior Golf Association (AJGA) through the efforts of Chris Robinson, who is the sale manager in the South Region area. He works to represent and promote tourism for this area of the valley, along with Evan Bowerly who does the same thing on the west side of the valley. Through both of them, they were able to get AJGA interested in Salt Lake and after a lot of research they contacted Darci Olsen at Glenmoor Golf Course who made the idea viable. There was about \$30,000 invested from their end to make AJGA possible here, and he is pleased to say that Sports Salt Lake signed a three year deal with AJGA as the presenting sponsor. He mentioned Bingham Creek Regional Park and noted that Sports Salt Lake are specialists in

selling multi-rectangular fields in a group. The regional athletic complex in Rose Park has 16 of those fields and they are highly marketable. They book about \$25 million in impact groups that goes into the regional athletic complex. They are watching the Bingham Creek fields be developed and they are anxiously waiting to work with the city and the county on marketing and selling those fields. He mentioned the Bees moving to Daybreak, and that it gives them another venue that they can go out and sell. There will be many nights where there is no Bees game going on, and the community, along with the Bees, will want that venue being used. The CTAA funds can go directly into projects like that. They are working with the Bees right now on an event for next year before they leave their downtown stadium to get the Savannah Bananas. Those types of events cost money, they were wanting upwards of \$40,000-\$50,000 to even consider coming here and they have negotiated that with them and they are in the \$15,000-\$20,000 range currently. When the new venue comes to town, they will want to try and target it and go after it aggressively, CTAA funds could be used for that. He added that Chris Robinson has done amazing things with USSSA through softball and they work with the Rocky Mountain Nationals that come to South Jordan. That brings about \$2.9 million from what they've been able to measure, and it brings over 2300 unique visitors into the area. They also work with Rad Canyon and are sponsors of both USSSA and Rad Canyon's Salt Lake Nationals event. Sports Salt Lake puts a lot of money into those events, and they are trying to get more money to go after more of those types of things. It is a game, and very stiff competition between Salt Lake and these other destinations like Anaheim, Las Vegas, etc. They see a need for more money, and they see a unique opportunity to market the south valley area, they also believe this is the right solution and tool. Sandy is highly supportive and they will have their final vote tonight. Draper was highly supportive at the first initial meeting, asking for a few follow-up items and his team is meeting with them again tonight to go over that information. They will have Draper's official vote probably in the next two weeks. They presented to Riverton, where it was unfavorable, but Riverton also doesn't have a hotel. In the end, their reasoning for not coming aboard was simply that they didn't have a hotel; they didn't understand why they needed to pass a resolution to start with. He was simply telling them that if they build a hotel in the future, it would be good to already be on board with this.

Jay Francis with South Valley Chamber noted that his role is to support his chamber members and hoteliers, and to tell the city they have a fund they receive from Sandy from a TRT that created a tourism committee, it was named as South Valley Tourism, not Sandy Tourism. Mele Makaui here tonight sits on their committee along with Chris Robinson, and they have done a great job. The events like basketball and volleyball that they are working on were put on ESPN, so they are making news for the South Valley. They spent \$116,000 last year and their ROI was 333%. If there were more funds to use in promoting the southern valley and South Jordan they would be able to bring more visitors here as the restaurants benefit along with the ancillary businesses. Neither he nor the chamber will be a part of the committee, as it's more of just a voice regarding dollars already received.

Council Member Don Shelton asked if there were any hoteliers in South Jordan that didn't respond.

Mr. Partain reviewed the official list and there were four hotels that did not sign the petition. La Quinta South Jordan and Super 8 were unable to be reached, and Home2Suites chose not to sign the petition, but they didn't have a good reason as to why, just saying they didn't have time to dig more into it to find out more. They recently had some dialogue with them a few days ago, and they are eager at this point to work with him and see what business could be brought in.

Council Member Marlors asked if they are actually pushing South Jordan hotels, a direct connection with the events being staged in the city, or is this more about a collective area within a certain area. How will the city know if they are getting something worthwhile out of this.

Mr. Partain noted that people want to stay in the closest hotel possible to the venue. Some events are stay-to-play where you have to stay in the hotels specified to be able to play, about half the time those tournaments are designed to be stay-to-play; they will be targeting hotels closer to the venues. They used their regular funding for the AJGA, it was not tied into the CTAA funds where they would actually bring it in front of a committee made up of hoteliers from the area.

Council Member Marlors wants to know if they are specifically pushing hotels in South Jordan, or are they just giving them hotels in the south valley.

Mr. Partain said they start with the closest hotels and work their way out. They also have a system where they can contact hotels to get responses, and they do the hard work following up on those responses, which means they also have to go with the hotels that respond and are pursuing that extra business. That might mean a hotel turns down the opportunity, or doesn't respond, despite multiple attempts at contacting them. He also noted that having a full-service or high caliber hotel like the Embassy Suites is a huge crown jewel, as there are not really any others comparable in this end of the valley.

Ms. Makai noted that they have had to turn down quite a few groups that preferred their hotel at this location, losing them to downtown Salt Lake City, because they want to maximize every single room in their revenue and the colleges want 160 rooms; she has 192 rooms. She can't give someone 160 rooms at a specific rate, she has to be able to manage and maximize those rates and rooms. She doesn't like having to recommend Salt Lake City Downtown, because they want to keep that revenue here and they understand the economic impact that will have on the local area. She has brought this up at previous committee meetings, asking if there is any money or funding that would allow her as a hotelier to still make her money and accommodate large groups. These are big name schools that want to come and stay in the city, and she is hoping the CTAA will be able to help her accommodate those kinds of groups.

Council Member Zander asked to clarify that none of the neighboring cities they have already met with have officially voted "yes" on this.

Mr. Partain responded that is correct, and Sandy is voting tonight.

Council Member Zander noted she would like to see what she can learn from those other cities that the council may have not learned tonight, and if there were any concerns from any of those cities.

Mr. Partain said that two of the Riverton Council members were not in favor of this, and raised some concerns regarding a program called Social Offset.

Mayor Ramsey noted that was a concern she had, as South Jordan has learned some about it and heard from a few people including the County Council Members that represent South Jordan, that they are opposed to this. She is a big fan of sports tourism, and the city wants to bring these people to the city as we are proud of what we are doing and want to showcase it, to be somewhere that could be a destination different from Salt Lake and Downtown. With that being said, there are residents concerned about the Social Offset side of Visit Salt Lake, and she is one of them. She doesn't want to market bringing people to this part of the valley at the expense of what our residents hold dear and how they feel. She and the council members have been elected to represent the residents of South Jordan City, and she has read quite a bit about this, listened to Riverton's response, and tried to do some homework to understand what the aim is. To her, that encouragement to come here is not worth it if it is done at the expense of what is valued here by the residents. If part of Social Offset is to come and visit here, but if you have different values than those who live here, you are given a list of organizations you can donate to in order to be part of the change that needs to take place in the values of Utah, she doesn't agree with that. She loves the values we have here and in the state, and the residents all hold their values dear, even though they aren't all the same values. We have a far more diverse population here right now than ever before, but a strong majority of the residents of South Jordan have made it very clear to the council as elected representatives what their values are, and supporting this has nothing to do with the tourism part. It has everything to do with the fact that the residents are not supportive of anything associated with Social Offset, even if no money goes towards it, as the organization responsible would still be associated with trying to change the opinion in Utah. That puts her in a hard spot because she is a big fan of tourism coming and the economic boost that it provides, and that we know we need, but the Social Offset part is real and a serious concern to the residents of the city. Governor Cox has said everyone is welcome to come to the state, but don't come with an intent to change who we are; come because you love it here. People can come and bring whatever ideology, philosophy or beliefs they hold dear, but she doesn't want to promote coming to the city at the expense of what our residents hold dear.

Mr. Partain noted that Social Offset is a separate organization, it has nothing to do with the CTAA. Social Offset is a privately owned company that was introduced to Visit Salt Lake in the Fall of 2022 at an industry conference. They did contribute out of private funding, not public funding, a one-time sponsorship of \$5,000 to help fund research on the weaponization of travel. They really see this more on the convention side of the market, but they have also seen it bleed into sports events like the NCAA and the NBA All Stars. Again, that was out of private funding and it was to fund that research indicated above. Social Offset works directly with organizers to select causes and charities that they share with attendees who can then make a donation if they choose. Sports Salt Lake doesn't solicit participation or identify with those organizations as they are apolitical. Their motive at the end of the day is to increase tourism.

Mayor Ramsey appreciates that, and she shared a quote for the council from Kaitlin Eskelson, the President/CEO of Visit Salt Lake, regarding why Visit Salt Lake supports Social Offset:

“Salt Lake is a modern, progressive city full of open minds and fresh perspectives, so the moment I heard about Social Offset I knew it was a great fit for Visit Salt Lake. We care deeply about many of the larger conversations taking place nationally and work with a wide variety of meetings, sporting events, and conventions with an extensive range of passions and opinions. Social Offset provides Visit Salt Lake with a new asset for meeting planners so they can have a meaningful presence here and a seat at the discussion table on an array of issues. We can offer a seamless avenue to support advocacy on a wide range of interests for our clients. It also allows our visitors to be a part of making this city even better. We are proud to be Social Offset’s first sponsor and we look forward to hosting you in Salt Lake.”

Mayor Ramsey noted it is a great quote, but the explanation that she has been able to find is that this is more related to the abortion policies Utah has passed, and is being presented as a way for them to have a seat at the table to change those policies; that is what residents are bringing up, along with concerns about other social issues. It is encouraging people thinking about visiting to visit our state/city to still come, but rather than boycotting, they can come and be a part of changing the values in Utah that they don’t like by donating to the specific organizations or causes. That is not about sports tourism or filling our hotels directly, but it is in a roundabout way related, and if that is part of the incentive that has to happen in order to bring people here she has a hard time supporting it at the expense of the values the residents of the city hold dear; even if visitors don’t align with it. She would never want to turn a visitor away because their values don’t align with our residents, but she also wouldn’t want to tell them to come here and bring money to try to change what and who we are.

Council Member Shelton asked to clarify that Visit Salt Lake/Sports Salt Lake contributed to that other organization, and that they are saying they are apolitical, but the organization they donated to is not. He wonders how they can contribute but still claim to be apolitical.

Mr. Partain said he is not here today to argue any politics. They are apolitical, they bid on things like the Republican National Convention, which they want very much to come to the area. At the end of the day they are trying to help their hotel partners and their community because the power of tourism can alleviate so much in tax to the local community. It is a powerful thing and at the end of the day, these are business decisions.

Council Member Shelton asked to clarify that they made a business decision to donate to an organization that is not apolitical, with the idea that it would help bring more tourists to Utah who may otherwise be uncomfortable with coming to Utah, because they are weaponizing travel.

Mr. Partain repeated that it was a one-time, private payment that was not from public funds, to fund the research. It’s unfortunate that these organizers and those who hold the keys to these big events are trying to weaponize it and force communities to, he assumes, adopt other social changes or values. These are giant events like the NBA All-Stars, NCAA events where they are currently trying to deal with the bathroom bill legislation that was passed across the country and

caused the NBA All-Stars to pull out of Charlotte. On the convention forefront, no one is watching them on TV, but those types of issues can have big ramifications for our local tourism industry if they decide not to come.

Council Member Marlor said on a micro level they would be supporting a group that helps attract dollars to South Jordan. Those dollars trickle down in various ways to the community, including South Jordan City and other venues like the hotels. We are then able to use some of those trickled down dollars to fund various things like recreation and other programs, which is how the city benefits in that financial life cycle. To him, on that micro level, that makes sense. Regarding the other macro level things being discussed, he is not sure that our council will be dealing with those issues, so he is not going to worry too much about them.

Mayor Ramsey noted that some councils get deeply involved with some social issues outside of their scope, but this is not a council that does that. However, there are residents concerned about that, which is why it had to be brought up.

Mr. Partain noted that Visit Salt Lake and Sports Salt Lake doesn't have values, they represent the tourism community and what their hotels and venues want and need. They will be out here working with South Jordan hotels and venues to figure out what they want and need, and this is just another tool they can use to leverage to get more groups here.

Council Member Zander asked who made the choice to align with Social Offset.

Mr. Partain responded that would be their CEO, Kaitlin Eskelson, who resides here in Utah.

Council Member Zander noted they are not voting tonight, but she would like a message to go back to Ms. Eskelson that it was very unappreciated by many here that she made that choice. Council Member Zander would hate to vote no for a great opportunity for our businesses, and to stop an opportunity for growth and tourism, as this is a fantastic thing being promoted. However, she does have morals, and she was elected by thousands of residents, and she can't in good faith go back to those residents and acknowledge that she knew there was a chance those funds might go to support something those residents were adamantly opposed to. For Ms. Eskelson to make this decision is really hurting their organization, and she would encourage Mr. Partain to go back and have a strong conversation with her to explain that if they are apolitical and amoral as stated, then step away and stop promoting Social Offset. Ms. Eskelson made a choice, and they are no longer apolitical because of that. She loves what is being said tonight and would love to vote yes, but Ms. Eskelson made a decision and she will need to reconsider that decision because Council Member Zander doesn't feel comfortable saying yes to this. She would love it if Ms. Eskelson reconsidered what she has done and back out of that arena, and just run things on a tourism level, staying out of social issues.

Mr. Partain agreed to have that conversation with the CEO.

Council Member Zander thanked Mr. Partain for passing that along, as it will affect her vote.

Council Member McGuire asked for more details on how the organization is set up in terms of Visit Salt Lake versus Sports Salt Lake, and if Sports Salt Lake is under the Visit Salt Lake umbrella.

Mr. Partain said there is a very small percentage of the funds that go back towards administrative costs with Visit Salt Lake, otherwise this money would be held completely separate. Sports Salt Lake is just a department under Visit Salt Lake.

Council Member Harris asked if they have identified any other areas in the city, besides what has already been discussed, as targets for additional tourism.

Mr. Partain said the existing assets in the city are nice, including the softball and baseball fields. Softball is one of the hottest sports in the country right now from a tournament standpoint. Sports Salt Lake could bid on more of those tournaments if the South Jordan fields were added to the pot; those tournaments can bring in 500 to 1,000 teams of all ages. He also mentioned Rad Canyon and the Glenmoor Golf Course, which could bid in the future for LPGA events.

Council Member Harris asked if they had looked at the equestrian center.

Mr. Partain served on the equestrian park board for two years, as did Chris Robinson, along with Salt Lake County recently selling it to Utah State. They lost a little bit of momentum with them while the new owners figured out their plans, but they would like to reengage more with them as there are large equestrian events they could definitely bid on.

Council Member Marlors referred back to the \$5,000 contribution and noted that it seems like they might have been pressured to be political, even though they are apolitical as a group. He asked if that is a commitment of continual support.

Mr. Partain said it is not continual, it was a one-time payment for the launch program.

Council Member Marlors asked if Mr. Partain knows what Visit Salt Lake's position is on that organization going forward.

Mr. Partain said they are not funding it in the future.

Manager Whatcott asked if Visit Salt Lake is considered public, and if their budget is required to have a public hearing with public input.

Mr. Partain responded that they are a 501c-6, their budget goes in front of the county council for approval.

Manager Whatcott asked if the Social Offset organization is included in their promotional literature and packaging.

Mr. Partain responded that he is on the sports side of it, and it is not used there. It was something that was used for a specifically targeted convention's business. Their budget is presented to the county council.

Council Member Marlbor asked if they are using that Social Offset organization as a marketing tool in some way.

Mr. Partain assumes it would be used in certain bid packages delivered to specific groups to engage them with Salt Lake and try to win their business. To his knowledge it was only used the one time and they don't have plans to continue with funding.

Council Member Zander asked what group they were trying to actively engage with that association.

Mr. Partain was unsure but will get back to Council Member Zander with that information.

Manager Whatcott discussed where the additional tax from hotels goes, and if the 2% being proposed gets directed back to the track funds with the county then redistributed back to his group, or does he collect that directly to his organization.

Mr. Partain responded they are collected separately from the track funds.

Manager Whatcott noted that most tax revenues have a public hearing or some type of accountability, and he's wondering how that funnels back to the organization if there is no public hearing.

Mr. Partain said there is a current public hearing in progress for the CTAA through the county. He was unsure as to who audits their funds, and noted that they are oversighted by Salt Lake County. The CTAA would be collected by the county treasury, then it would come back to them, separate from the normal funds.

Manager Whatcott noted that he is unable to get a clear understanding of how this money is flowing back to the CTAA and where the public has their input on that.

Mr. Partain said the CTAA funds are split between three different regions, the south valley region is the one South Jordan would be a part of. The normal Sports Salt Lake funds represent the whole county, so there is no limitations on municipalities.

Director Preece noted that his understanding is that the CTAA funds are not comingled with Visit Salt Lake's budget from Salt Lake County.

Mr. Partain agreed and noted they are totally separate, the county is simply acting as the collectors, and they are doing the oversight because they oversight their general funds.

Manager Whatcott is wondering if residents have concerns about where the money goes, is there somewhere they can go see that budget and make public comment.

Council Member Marlbor asked if this would be adopted by resolution, or if it would be a public hearing. Will the city be going through a process where the public can share their support or opposition with the council.

Director Preece said that if they decide to move further with this after tonight, they will plan on a public hearing with the resolution.

Attorney Loose hasn't read over the statute, but generally resolutions don't require a public hearing for a vote; however, they can certainly choose to hold a hearing.

Mayor Ramsey has spoken with Mayor Wilson about many of these events coming to Utah and she understands how challenging many of them were to bring here and hold on to them. There is a lot to offer here in Utah, and she doesn't believe in the idea of telling people to still come but that they are welcome to try and change what we are. She thanked Mr. Partain for his presentation and the great information that he shared tonight.

The council discussed it and decided to add this resolution to the agenda in two weeks with a public hearing. Mr. Partain will come back with answers to the previously asked questions before that time.

E.2. 11400 South UDOT Survey (*By Deputy City Engineer Jeremy Nielson and UDOT's Grant Farnsworth*).

Grant Farnsworth reviewed his prepared online presentation from the following link: [11400 South; Bangerter Highway to I-15 \(arcgis.com\)](https://arcgis.com/webapp/viewer/index.html?appid=11400SouthBangerterHighwaytoI15).

ADJOURNMENT

Council Member McGuire motioned to adjourn the May 2, 2023 City Council Study Meeting. Council Member Zander seconded the motion; vote was unanimous in favor.

The May 2, 2023 City Council Study meeting adjourned at 6:25 p.m.