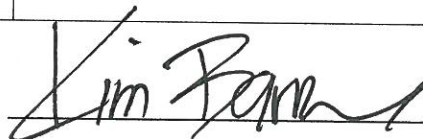


**Mayor's Office: Council Agenda Item Request Form**  
*This form and supporting documents (if applicable) are due the Wednesday  
before the COW meeting by noon.*

|                                      |              |
|--------------------------------------|--------------|
| <b>Date Received</b><br>(office use) | 9 March 2017 |
|--------------------------------------|--------------|

|   |   |
|---|---|
| <b>Date of Request</b>  | March 8, 2017   |
| <b>Requesting Staff Member</b>  | Deputy Mayor Litvack  |
| <b>Requested Council Date</b>   | March 14, 2017  |
| <b>Topic/Discussion Title</b>   | Bonanza Flat Acquisition Funding  |
| <b>Description</b>  | Salt Lake County received a request to contribute to the Bonanza Flat acquisition. Mayor McAdams will be presenting funding possibilities to benefit the Bonanza Flats acquisition. |
| <b>Requested Action<sup>1</sup></b>   | Approval  |
| <b>Presenter(s)</b>   | Mayor's Office  |
| <b>Time Needed<sup>2</sup></b>  | 30 min.   |
| <b>Time Sensitive<sup>3</sup></b>   |   |
| <b>Specific Time(s)<sup>4</sup></b>   |   |
| <b>Contact Name &amp; Phone</b>   | Deputy Mayor Litvack, 8-7051  |
| Please attach the supporting documentation you plan to provide for the packets to this form. While not ideal, if supporting documents are not yet ready, you can still submit them by 10 am the Friday morning prior to the COW agenda. Items without documentation may be taken off for consideration at that COW meeting. |   |

Mayor or Designee approval:



<sup>1</sup> What you will ask the Council to do (e.g., discussion only, appropriate money, adopt policy/ordinance) – in specific terms.

<sup>2</sup> Assumed to be 10 minutes unless otherwise specified.

<sup>3</sup> Urgency that the topic to scheduled on the requested date.

<sup>4</sup> If important to schedule at a specific time, list a few preferred times.

## 3/9/2017

Cost

### Sources of Funds:

- ## 2 Windfall attributable to Health Building from NMTC

12,500,000

25%

\$ 3,125,000

\$ 3,875,000

- 3 Proposal is to use the excess sales taxes over budget generated by the Amazon deal struck by the State of Utah. Deficiency to be covered by the excess bond proceeds, created by the expected NMTC proceeds. Any additional amounts to be contributed to capital maintenance projects aligned with TRCC statutes.

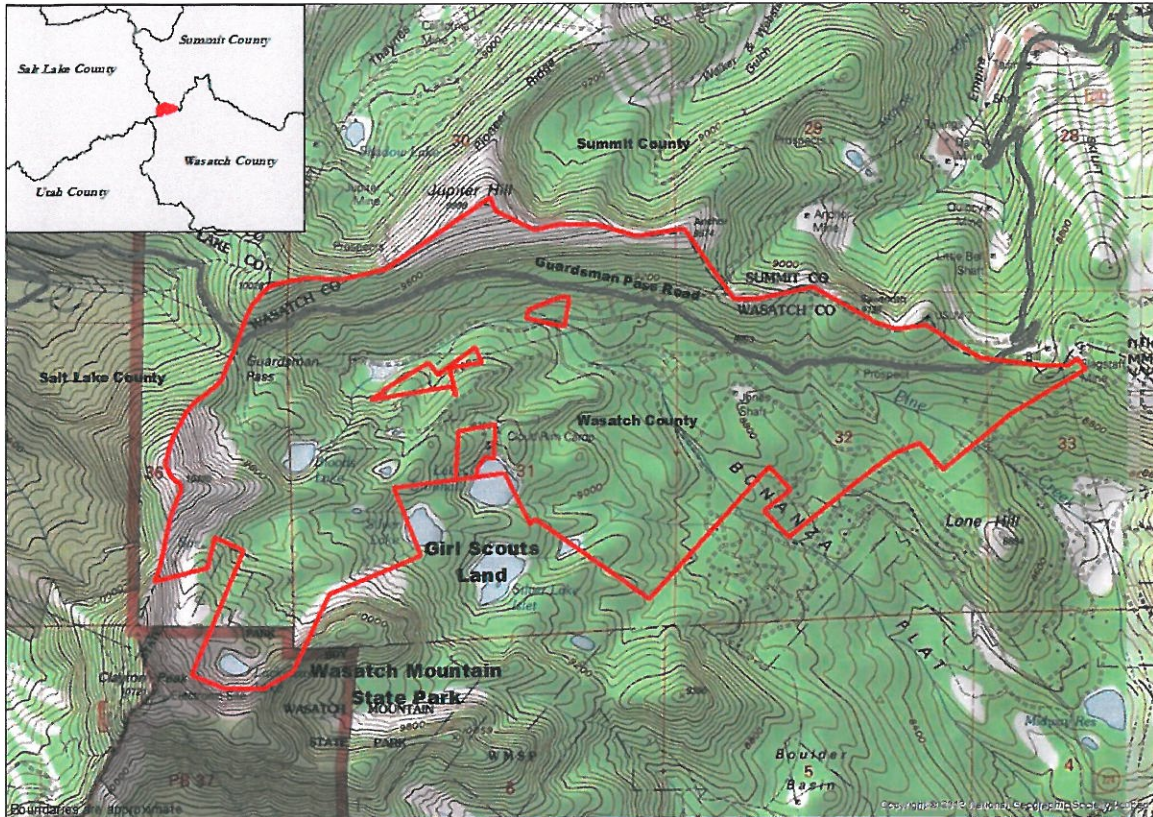
## **Background**

Bonanza Flat sits at the top of Big Cottonwood Canyon at Guardsman Pass. The property is 1,350 acres and lies in Wasatch County. The property provides a host of recreational opportunities from hiking, biking, back country skiing and provides access to the Wasatch Crest Trail and Bloods Lake. The property also serves as watershed for communities along the Wasatch Front in Salt Lake County. Salt Lake Public Utilities and Metro Water District, both receive water from this watershed which Bonanza Flat serves as the head waters. The land had vested rights at a base density of 260 units and commercial potential as well

Bonanza Flat is truly the heart of the Wasatch. It is the headwaters for part of the Salt Lake Valley's water source. Bonanza is a place which is used by tens of thousands of Wasatch Front, Salt Lake County residents and it is privately held. The base density already vested on the property would ensure damage and impairment to the watershed and would forever close off recreational resources to the public. These resources include hikes to Blood's lake and the entrance to the Wasatch Crest Trail. Over the past 60 days the fundraising campaign spearheaded by Utah Open Lands has garnered over \$1,845,000 in support from over 1500 individuals, foundations and community groups. The collective call for the conservation of this land has brought 11 non profit organizations on the Wasatch Front and back to the effort to raise funding to close a \$13 million funding gap between the purchase price of the land at \$38 million and the \$25 million bond passed by a 72% margin by the residents of Park City. This land is outside of Park City and Summit County's boundaries but they have recognized that the shared values of watershed protection, recreation and wildlife critical to our common quality of life is less about artificial boundaries and more about the legacy that the protection of this land will mean for millions of residents. Study's dating back to Wasatch Canyons Tomorrow have consistently listed preservation of privately held land in the Wasatch Mountains from development is a top priority for residents. Bonanza Flat which sits at the apex Guardsman Pass also includes Peaks 10420 and Clayton which are favorite back country ski and hiking destinations. The land is adjacent to the Cloud Rim Girl Scout Camp and its protection would clearly be a benefit to this camp which is in its 80th anniversary year. The land is also adjacent to Wasatch Mountain State Park and sits critically on the ridge of the Salt Lake City watershed lands in Big and Little Cottonwood Canyon.

Bonanza flat includes habitat for flammulated owl a species of greatest concern in the West. It includes year round habitat for moose as well as habitat for black bear, deer, elk and mountain goat.





**The financial break down for the funding of Bonanza Flat includes:**

|  |  |
|--|--|
| \$25 million   | Park City Voter approved bond  |
| \$5,750,000  | Summit County  |
| \$Amount has been determined, cannot be disclosed until they authorize | Salt Lake Public Utilities   |
| \$100,000  | Zions Bank   |
| \$500,000  | LeRay McAllister Fund appropriated (application required)                            |
| \$10,000   | Midway City  |
| \$200,000  | Janet Q. Lawson Foundation on behalf of the 80th anniversary of the Girl Scouts camp |
| \$1,430,538  | Private fundraising from a coalition of 11 nonprofits                                |
| \$125,000  | The Nature Conservancy   |

# Estimated Impact of Amazon Sales Tax Collection to SLCo

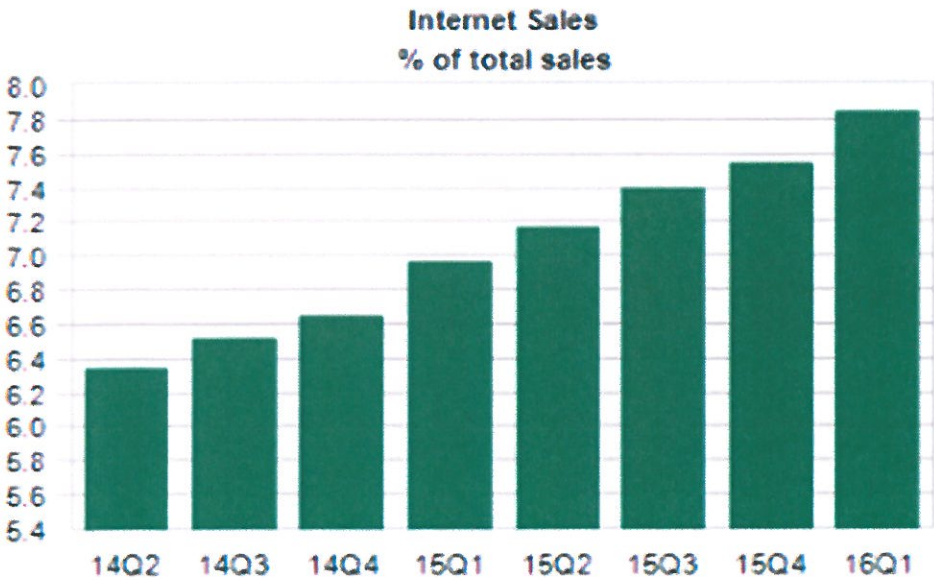
## Estimate 1

|   |           |                |                     |
|---|-----------|----------------|---------------------|
|   |           | Lower          | Higher              |
| 2017 Projected County Option Sales Tax                                | \$        | 56,560,000     | \$ 56,560,000       |
| Proportion from Retail Sales  |           | 50.4%          | 50.4%               |
| 2017 Projected County Option Sales Tax from Retail Sales              | \$        | 28,500,584     | \$ 28,500,584       |
| Estimated proportion of e-commerce to total retail commerce           |           | 7.8%           | 7.8%                |
| 2017 Projected County Option Sales Tax + uncollected e-commerce taxes | \$        | 30,911,696     | \$ 30,911,696       |
| Estimated e-commerce county taxes uncollected                         | \$        | 2,411,112      | \$ 2,411,112        |
| Guess of Amazon's share of e-commerce in Utah                         |           | 25%            | 50%                 |
| <b>Estimated Amazon e-commerce county taxes uncollected</b>           | <b>\$</b> | <b>602,778</b> | <b>\$ 1,205,556</b> |

## Estimate 2

|  |           |                |
|--|-----------|----------------|
| Amazon Retail Sales in Utah in 2015                                  | \$        | 427,900,000    |
| Amazon Retail Sales in Utah in 2017 w/estimated 10% growth over 2015 | \$        | 470,690,000    |
| County Option Sales Tax Rate   |           | 0.25%          |
| Total County Option Sales Tax (statewide)                            | \$        | 1,176,725      |
| SLCo Proportion of total County Option Tax Distributions in 2016     |           | 40.9%          |
| <b>Estimated Amazon e-commerce county taxes uncollected</b>          | <b>\$</b> | <b>481,281</b> |

## Support



United States: Internet Sales (E-Commerce Sales)

Latest: \$92.8 bil for 2016Q1

“Internet Sales are Eating Brick & Mortar Stores’ Lunch”

IHS Economics

Above chart from Econowest/Doug MacDonald October 2016



Utah Calendar Year Taxable Sales for 2015 by SuperCategory and Category, filtered for SLCo

<http://tax.utah.gov/econstats/sales/yearly>

cy2015 Taxable Sales.xlsx

County

Salt Lake County

| Row Labels  | Sum of Taxable<br>Sales CY 2015 | Taxable Sales<br>CY 2015 |
|---|---------------------------------|--------------------------|
| <b>1) All Other Sales</b>   | <b>\$841,911,169</b>            | <b>3.47%</b>             |
| OCCASIONAL/NONCLASSIFIABLE  | \$423,436,317                   | 1.75%                    |
| PRIOR-PERIOD PAYMENTS & REFUNDS   | \$1,001,408                     | 0.00%                    |
| PRIVATE MOTOR VEHICLE SALES   | \$324,300,655                   | 1.34%                    |
| PUBLIC ADMINISTRATION(920000-929999)                                    | \$46,173,014                    | 0.19%                    |
| SPECIAL EVENT SALES   | \$46,999,775                    | 0.19%                    |
| <b>2) Taxable Business Investment</b>                                   | <b>\$4,306,235,721</b>          | <b>17.75%</b>            |
| AGRICULTURE, FORESTRY, FISHING & HUNTING(110000-119999)                 | \$5,092,915                     | 0.02%                    |
| CONSTRUCTION(230000-239999)   | \$369,131,548                   | 1.52%                    |
| MANUFACTURING(310000-339999)  | \$1,007,104,535                 | 4.15%                    |
| MINING, QUARRYING, & OIL & GAS EXTRACTION(210000-219999)                | \$330,442,358                   | 1.36%                    |
| TRANSPORTATION & WAREHOUSING(480000-499999)                             | \$52,431,143                    | 0.22%                    |
| WHOLESALE TRADE-DURABLE GOODS(423000-423999)                            | \$2,182,331,030                 | 9.00%                    |
| WHOLESALE TRADE-ELECTRONIC MARKETS(425000-425999)                       | \$23,838,350                    | 0.10%                    |
| WHOLESALE TRADE-NONDURABLE GOODS(424000-424999)                         | \$335,863,842                   | 1.38%                    |
| <b>3) Taxable Retail Sales</b>  | <b>\$12,222,054,947</b>         | <b>50.39%</b>            |
| NONSTORE RETAILERS(454000-454999)                                       | \$233,611,648                   | 0.96%                    |
| RETAIL-BUILD. MATERIAL, GARDEN EQUIP. & SUPPLIES DEALERS(444000-444999) | \$1,137,419,947                 | 4.69%                    |
| RETAIL-CLOTHING & CLOTHING ACCESSORIES STORES(448000-448999)            | \$872,272,076                   | 3.60%                    |
| RETAIL-ELECTRONICS & APPLIANCE STORES(443000-443999)                    | \$499,205,404                   | 2.06%                    |
| RETAIL-FOOD & BEVERAGE STORES(445000-445999)                            | \$1,867,041,158                 | 7.70%                    |
| RETAIL-FURNITURE & HOME FURNISHINGS STORES(442000-442999)               | \$509,724,458                   | 2.10%                    |
| RETAIL-GASOLINE STATIONS(447000-447999)                                 | \$352,480,700                   | 1.45%                    |
| RETAIL-GENERAL MERCHANDISE STORES(452000-452999)                        | \$2,390,373,884                 | 9.85%                    |
| RETAIL-HEALTH & PERSONAL CARE STORES(446000-446999)                     | \$237,525,374                   | 0.98%                    |
| RETAIL-MISCELLANEOUS RETAIL TRADE                                       | \$825,140,190                   | 3.40%                    |
| RETAIL-MOTOR VEHICLE & PARTS DEALERS(441000-441999)                     | \$2,828,293,092                 | 11.66%                   |
| RETAIL-SPORTING GOODS, HOBBY, MUSIC,& BOOK STORES(451000-451999)        | \$468,967,016                   | 1.93%                    |
| <b>4) Taxable Services</b>  | <b>\$6,886,312,727</b>          | <b>28.39%</b>            |
| ACCOMMODATION(721000-721999)  | \$522,414,255                   | 2.15%                    |
| ADMIN. & SUPPORT & WASTE MANAG.& REMED. SERVICES(560000-569999)         | \$117,352,392                   | 0.48%                    |
| ARTS, ENTERTAINMENT,AND RECREATION(710000-719999)                       | \$241,860,504                   | 1.00%                    |
| EDUCATIONAL SERVICES(610000-619999)                                     | \$49,394,964                    | 0.20%                    |
| FINANCE & INSURANCE(520000-529999)                                      | \$130,880,424                   | 0.54%                    |
| FOOD SERVICES & DRINKING PLACES(722000-722999)                          | \$2,078,827,475                 | 8.57%                    |
| HEALTH CARE & SOCIAL ASSISTANCE(620000-629999)                          | \$49,577,185                    | 0.20%                    |
| INFORMATION(510000-519999)  | \$1,038,946,880                 | 4.28%                    |
| MANAGEMENT OF COMPANIES & ENTERPRISES(550000-559999)                    | \$6,837,422                     | 0.03%                    |
| OTHER SERVICES-EXECPT PUBLIC ADMINISTRATION(810000-819999)              | \$655,445,554                   | 2.70%                    |
| PROFESSIONAL, SCIENTIFIC, & TECHNICAL SERVICES(540000-549999)           | \$370,462,417                   | 1.53%                    |

|   |                         |                |
|---|-------------------------|----------------|
| REAL ESTATE, RENTAL, & LEASING(530000-539999) | \$636,954,176           | 2.63%          |
| UTILITIES(220000-229999)                      | \$987,359,079           | 4.07%          |
| <b>Grand Total</b>                            | <b>\$24,256,514,564</b> | <b>100.00%</b> |



In 2015,  
Amazon.com sold

**\$427.9 million**

worth of retail goods in Utah  
but didn't pay

**\$28.6 million**

in state (**\$25.5 million**)  
and local (**\$3.2 million**)  
sales taxes.

SOURCE: Study by Civic Economics for the American Booksellers Association

# Amazon.com and sales taxes

In 2015, Amazon.com sold



worth of retail goods nationwide  
but didn't pay

**\$704 million** 

in sales taxes. The cost of taxes falls  
equally on state and local governments.

DESERET NEWS GRAPHIC