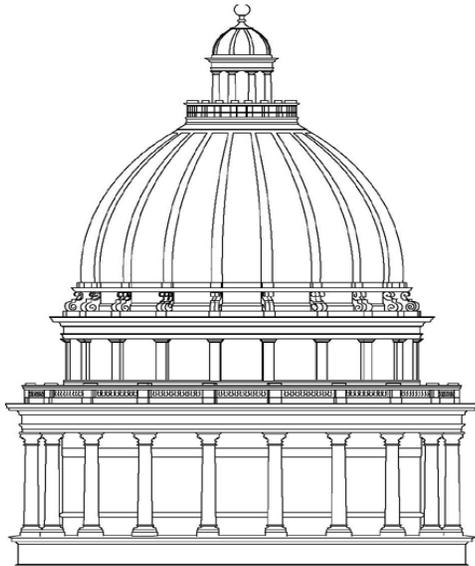


A Performance Audit of
Tooele County's Sale of the Utah
Motorsports Campus



Presentation to the
Legislative Audit Subcommittee

May 14, 2018

Chapter 1 Introduction



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Chapter 1 Introduction



FOR MORE INFORMATION

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Chapter 1 Introduction



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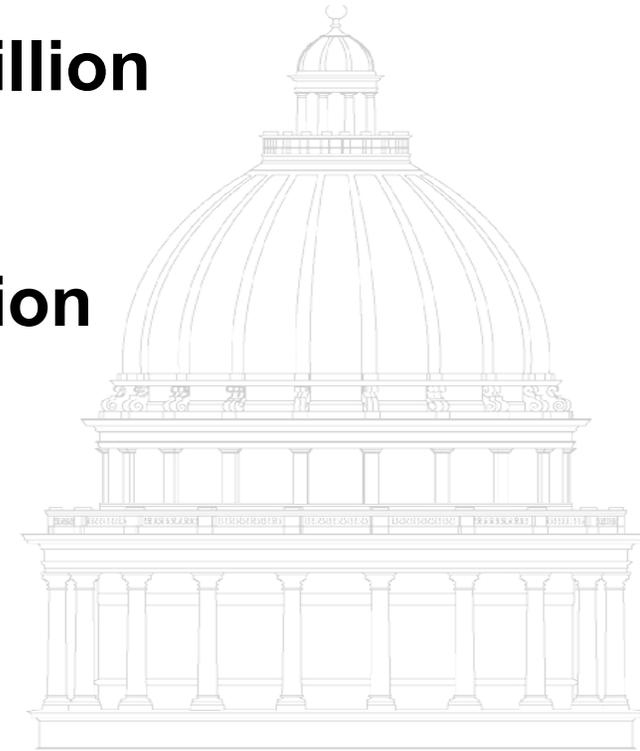
Chapter 1 Introduction

Center Point:

\$22.5 Million

Mitime:

\$20 Million



FOR MORE INFORMATION

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Chapter 1 Introduction

Center Point:

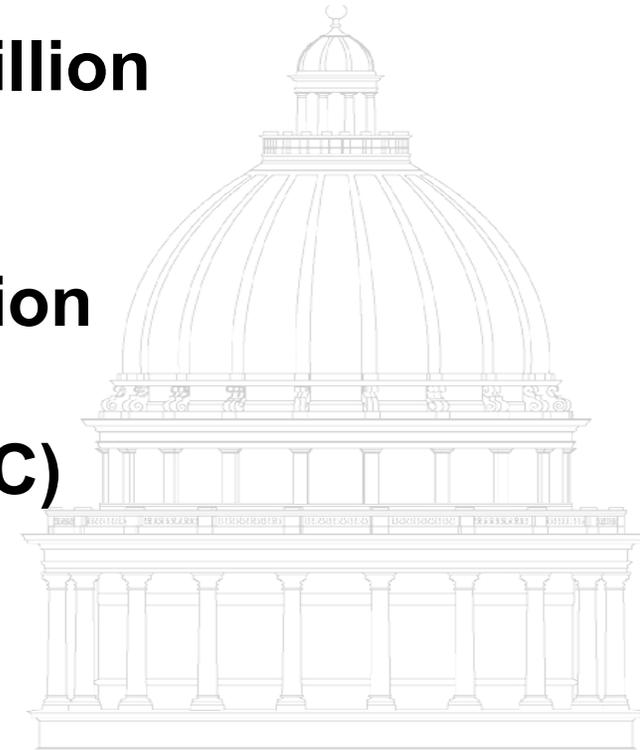
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Utah Motorsports Campus (UMC)



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Chapter 1 Introduction

Chapter 2: Mishandled Sale

Chapter 3: Oversight was Inadequate

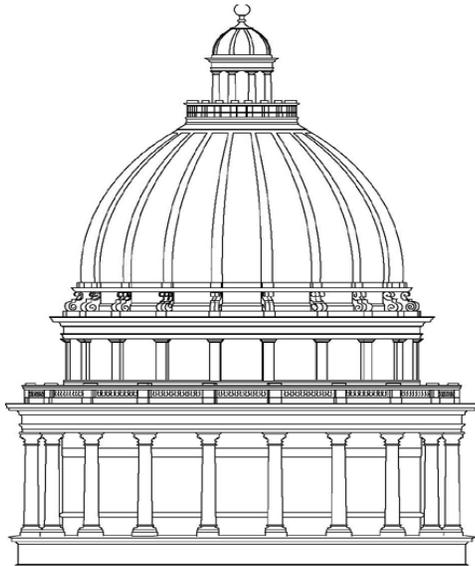


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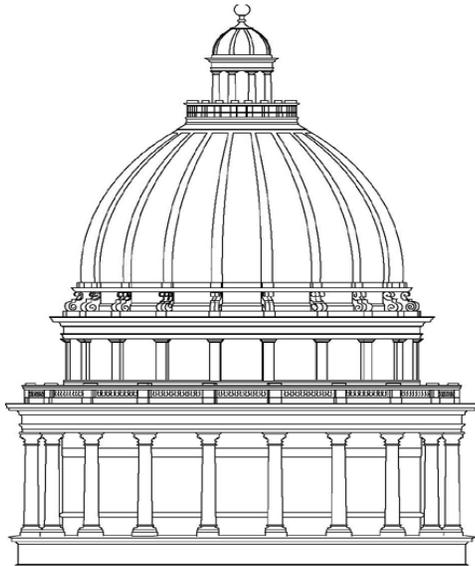
Chapter II

Mishandled Sale of the Utah Motorsports Campus was Costly



Chapter II

Mishandled Sale of the Utah Motorsports Campus was Costly



“Tooele County did not follow commonly used best practices for selling public property.”

Best Practices

1. Use an appraiser to establish fair market value
2. Publicly announce the property is for sale
3. List the required contents of a qualified proposal
4. Identify the criteria that will be used to evaluate proposals
5. Create an independent panel to review proposals
6. Document the decision-making process

FOR MORE INFORMATION

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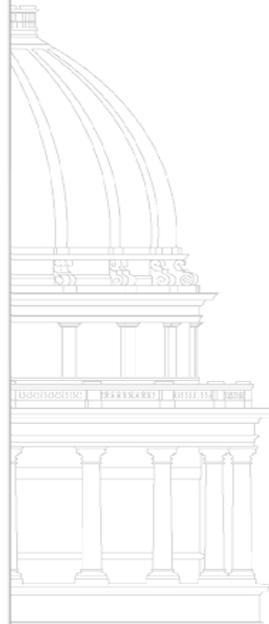
Best Practices



**Request for Proposals
Sale by City of Real Property**

Property commonly known as
55 Barre Street
Montpelier, VT 05602

Proposal Submission Deadline: 4:00 PM, April 15, 2016



FOR MORE INFORMATION

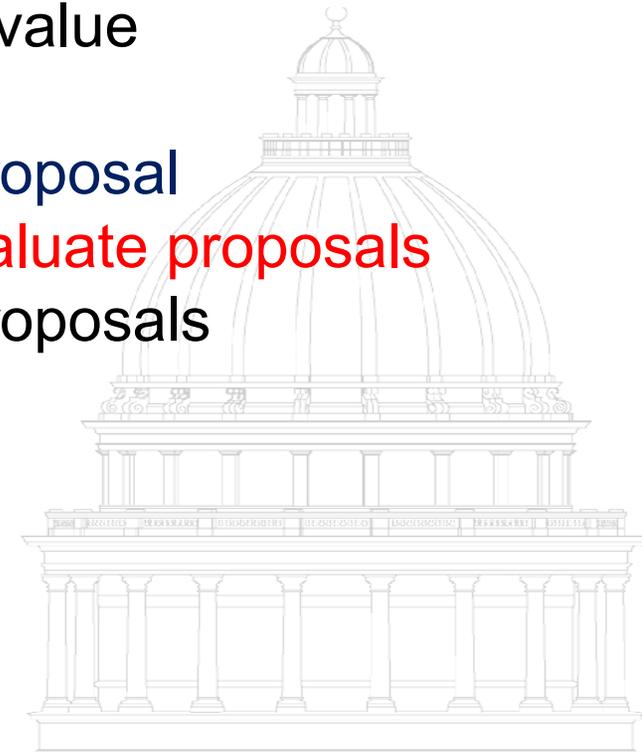
See Appendix B

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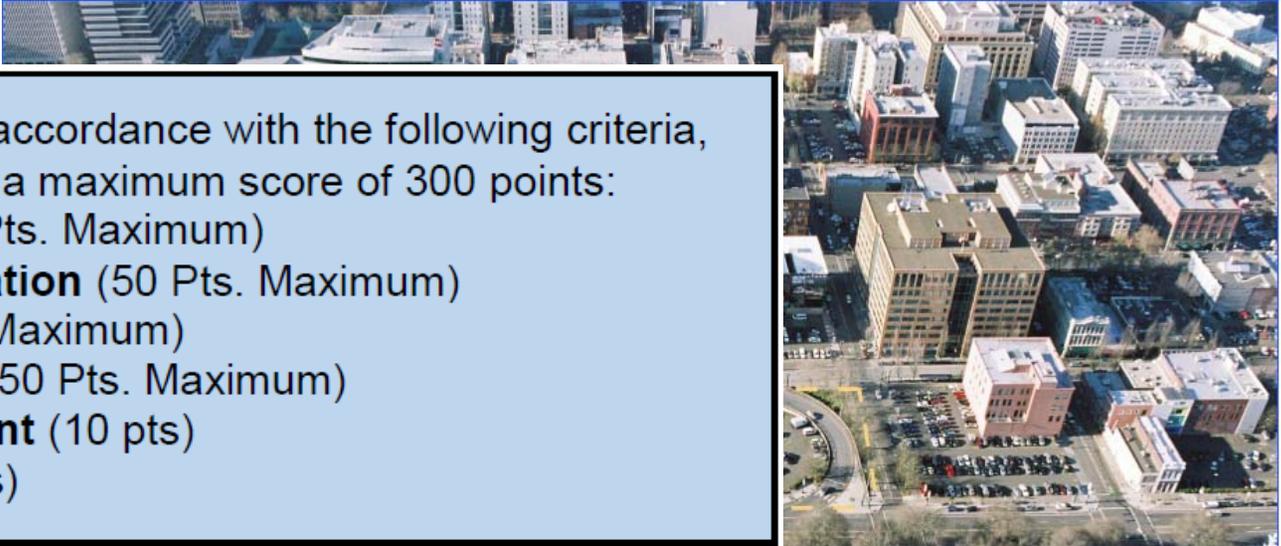
Best Practices



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Best Practices



Proposals shall be evaluated in accordance with the following criteria, with the indicated weighting and a maximum score of 300 points:

- A. Property Proceeds** (130 Pts. Maximum)
- B. Development Implementation** (50 Pts. Maximum)
- C. Design Concept** (50 Pts. Maximum)
- D. Economic Development** (50 Pts. Maximum)
- E. Sustainability Commitment** (10 pts)
- F. Diversity Outreach** (10 pts)

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Best Practices

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Proceeds From Sale

Figure 2.3 Operating Losses and Legal Costs Reduced the County's Proceeds from the Raceway Sale. After deducting \$9.36 million in operating losses and \$1.8 million in litigation costs, the sale of the raceway only produced a \$7.36 million gain.

Final agreed upon sales price for raceway	\$18.55 million
Less: costs of operating park paid to Mitime ¹	9.36 million
Amount Tooele County received from the sale	9.19 million
Less: cost of litigation	1.83 million
County's net proceeds from the sale	\$7.36 million

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Proceeds From Sale

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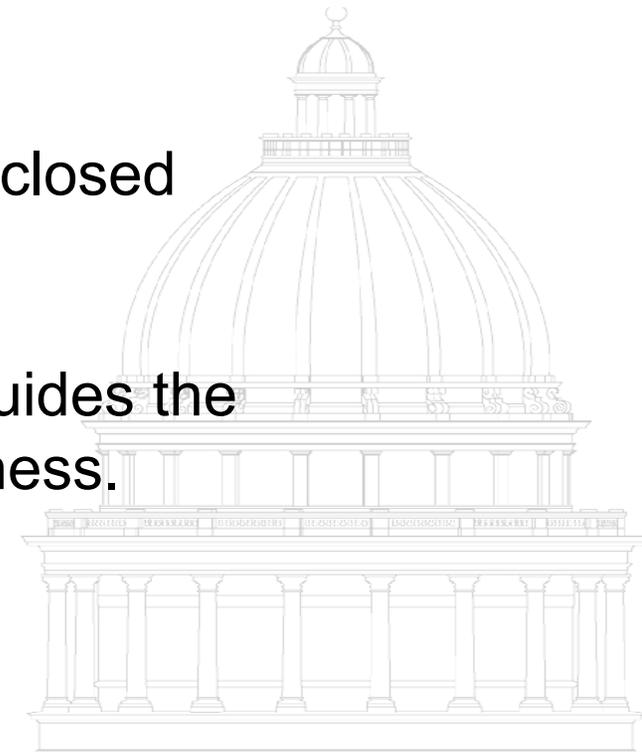
Recommendations

Tooele County Should:

1. ...adopt a policy regarding when to hold closed meetings.
2. ...adopt a records retention policy that guides the retention of emails related to county business.

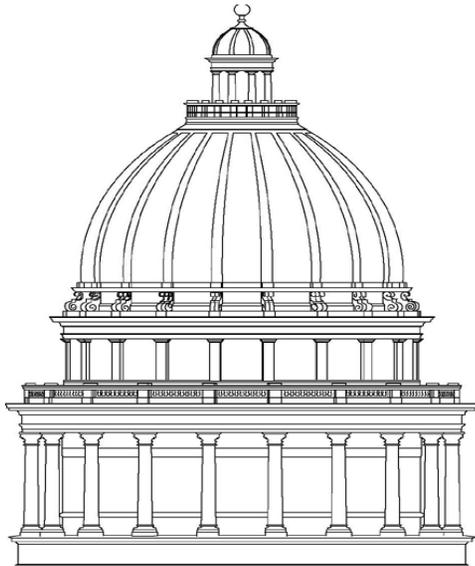
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Chapter III

Tooele County's Oversight of the Raceway was Inadequate



“The Tooele County Commission did not fulfill its responsibility to oversee the raceway’s finances.”

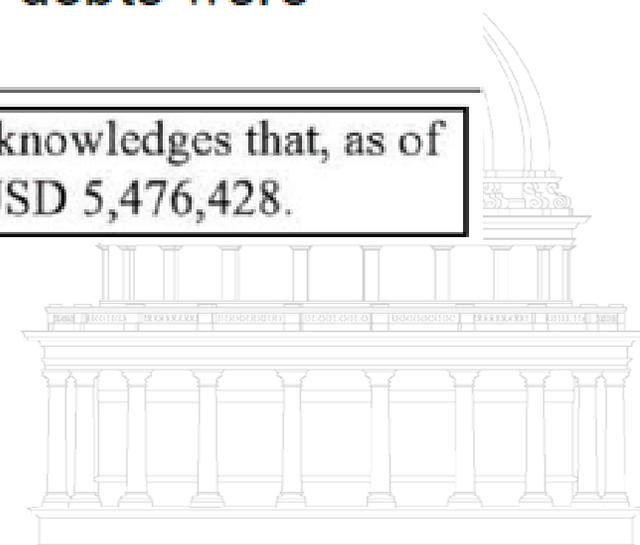
Financial Statements

Figure 3.1 Toole County Commissioners Signed a Document Acknowledging Liabilities Owed to UMC. It was the commission's responsibility to ensure the county's debts were disclosed in the annual financial statements.

2. **Acknowledgement of Indebtedness.** County acknowledges that, as of December 31, 2016, it is indebted to Manager in the amount of USD 5,476,428.

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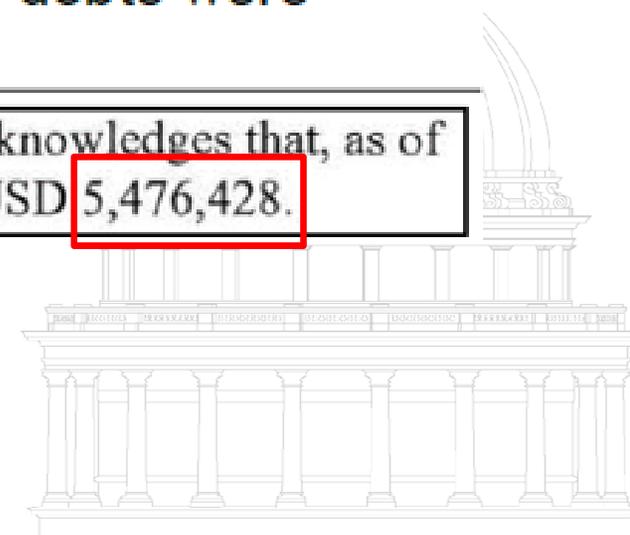
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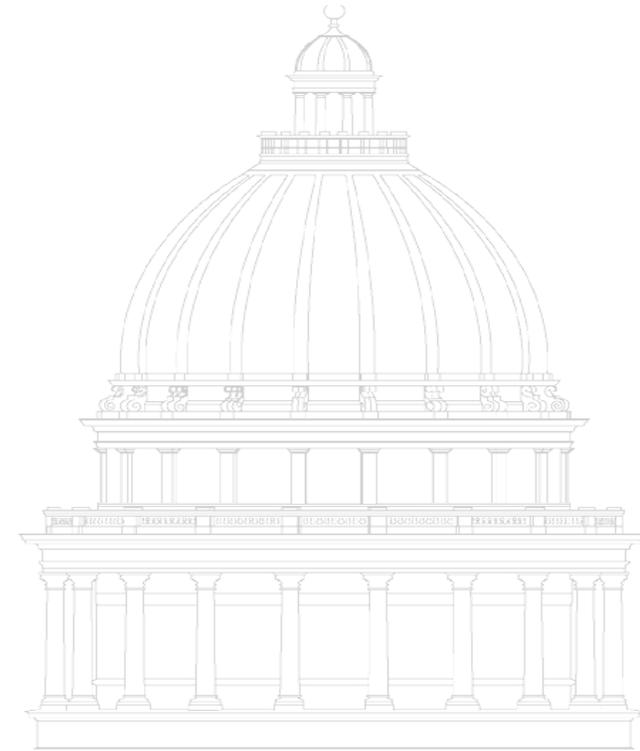


Budget

“There was no Record of Ongoing Commission Oversight of Budget”

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Purchasing

Tooele County did not Provide Adequate Oversight for Capital Asset Purchases.



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Purchasing



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Purchasing



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Purchasing



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Purchasing



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Inventory

\$2.8 Million in Equipment Not Inventoried

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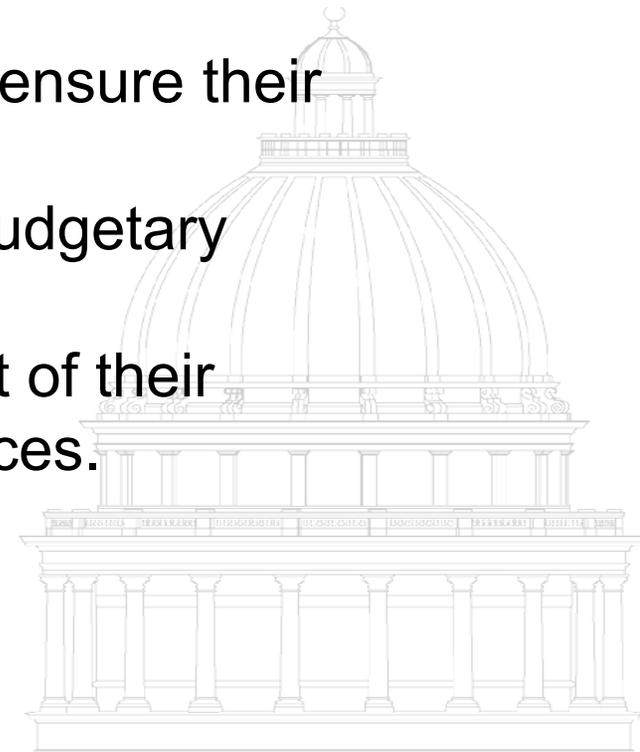


Recommendations

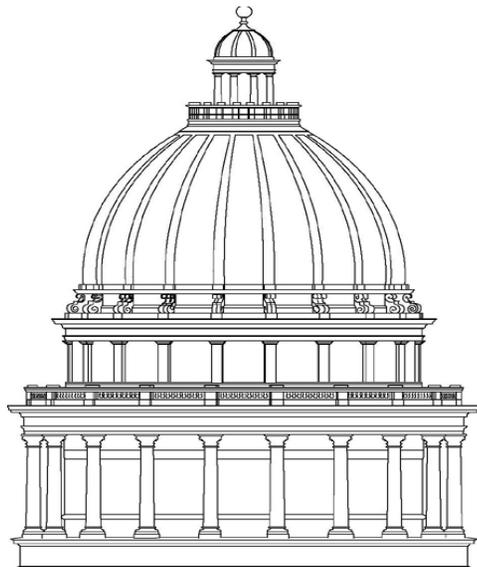
1. Adopt ... sufficient internal controls... to ensure their [financial statements] are accurate.
2. Adopt ...adequate internal controls for budgetary oversight...
3. Undergo a comprehensive external audit of their internal controls and management practices.

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