



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Nick Tarbet, Policy Analyst

DATE: June 3, 2025

RE: Salt Lake City Department of Airports Revenue Bonds, Series 2025

Item Schedule:

Briefing: May 13, 2025

Set Date: June 3, 2025

Public Hearing: July 1, 2025

Potential Action: July 1, 2025

May 13 WORK SESSION SUMMARY

During the May 13 work session, the Council did not raise any concerns or questions about the Airport bonds. On June 3, 2025, the Council will set a public hearing date for July 1, 2025.

The following information was provided for the May 13 work session briefing. It is provided again for background purposes.

ISSUE AT-A-GLANCE

The Council will receive a briefing from the Department of Airports about a resolution authorizing the issuance and sale of \$700 million of airport revenue bonds (the “series 2025 bonds”). The bonds are for the purpose of financing and refinancing capital improvements to the Salt Lake City International Airport, and the resolution will give authority to airport officials and officers to approve the final terms and provisions of the 2025 bonds.

The current plan calls for the 2025 Bonds to be sold on or about August 4, 2025. In order to meet this deadline, the Council would adopt a resolution on June 3, 2025, set the date for a public hearing and potential adoption on July 1, 2025. This timeline accommodates the required 30-day contest period to close the transaction in August of 2025.

KEY ELEMENTS

Once completed, the total costs for the new SLC Airport are estimated to be around \$5.135 billion. This bond is the final new money needed to complete the airport.

No general fund revenues will be pledged toward the repayment of the 2025 bonds. The debt service is paid for by revenues generated at the airport such as landing fees, terminal rentals, parking, rental cars, food/beverage concessions and cargo revenues.

The City's financial advisor and underwriters estimate that the 2025 Bonds will be sold at a true interest cost of approximately 5.55% per annum, with final maturity not exceeding 40 years. Airport staff anticipate it could be closer to 30 years.

Proceeds of the 2025 Bonds will be used for the purposes of:

- a. Financing additional components of the New SLC (the "Series 2025 Projects")
- b. Funding capitalized interest on all or a portion of the 2025 Bonds
- c. Repaying the line of credit that is used to provide interim financing for costs of the New SLC
- d. Funding any necessary reserves in connection with the 2025 Bonds
- e. Paying the costs incurred in connection with the issuance and sale of the 2025 Bonds (including, but not limited to, the purchase of one or more municipal bond insurance policies)
- f. Reimburse for capital costs incurred up to sixty (60) days prior to adoption of the resolution. After the issuance of the 2025 Bonds, the Airport does not expect that any additional bonds will need to be issued to finance the costs of the New SLC.

POLICY QUESTIONS

- Does the Airport anticipate current economic events, including trade policy discussions, could potentially impact the completion of the airport redevelopment project?
- The Council may wish to ask the administration to give some examples of how sustainability priorities identified in the Airport Master Plan will be factored into how these bonds will be used.