



CITY COUNCIL TRANSMITTAL


Lisa Shaffer, Chief Administrative Officer

Date Received: 12/15/2021

Date sent to Council: 12/15/2021

TO: Salt Lake City Council
Amy Fowler, Chair

DATE: December 14, 2021

FROM: Mary Beth Thompson, Chief Financial Officer 

SUBJECT: Amendatory Resolution Stating and Clarifying that City's Municipal Transient Room Tax under Utah Code Title 59, Chapter 12, Part 3A (the "Innkeepers Tax") is Pledged as Source of Repayment for SIB Loan Instead of Sales Tax

STAFF CONTACT: Marina Scott, City Treasurer 801-535-6565

DOCUMENT TYPE: Resolution

RECOMMENDATION: That the City Council adopt an Amendatory Resolution on January 11, 2022 deleting any pledge of sales tax revenue as a revenue source to repay the State Infrastructure Bank (SIB) loan and instead to pledge the City's Innkeepers Tax as a revenue source to repay the SIB loan.

BUDGET IMPACT: None at this time.

BACKGROUND/DISCUSSION: In the loan agreement the City pledged the annual distribution of \$1,100,000 authorized by H.B. 244 (2021). Utah Code section 72-2-204 requires the City to, also, pledge a revenue source controlled by the City. Resolution No. 31 of 2021 said that the City was also pledging its sales tax revenue; however, the City has determined that it is better to pledge its Innkeepers Tax as a revenue source to repay the SIB loan and UDOT has agreed to this in the Loan Agreement.

PUBLIC PROCESS: N/A

EXHIBITS:

1. Agenda and Motion Language
2. Amending Resolution

Suggested Agenda Language relating to the amendatory resolution for the SIB Loan from UDOT, to be considered by the City Council at its meeting on January 11, 2022:

Resolution: Amending Resolution No. 31 of 2021 relating to a SIB Loan to the City from UDOT

Consideration of a resolution amending Resolution No. 31 of 2021, relating to a SIB loan to the City from UDOT, to state and clarify that the loan will be payable from the City's Innkeepers Tax rather than from sales tax revenue; and providing for related matters.

Staff Recommendation: Adopt

Suggested Motion Language is as follows:

I move that the City Council adopt the resolution amending Resolution No. 31 of 2021 relating to a SIB loan to the City from UDOT.

RESOLUTION NO. ____ OF 2022

(Amending Resolution No. 31 of 2021 that Authorized a Utah State Infrastructure Bank Loan for a Neighborhood Parking Structure Located between 400 West and 500 West and 600 South and 700 South)

WHEREAS, Utah Code section 72-2-202 created a revolving fund called the Utah State Infrastructure Bank Fund (the “SIB Fund”) and authorized the Utah Department of Transportation (UDOT) to use moneys in the SIB Fund to make infrastructure loans to cities for transportation projects, including the construction or improvement of parking facilities; and

WHEREAS, Salt Lake City, Utah (the “City”) applied for a \$7,000,000 infrastructure loan to finance a portion of the cost of a neighborhood parking structure, a 926-stall garage, located between 400 West and 500 West and 600 South and 700 South in Salt Lake City, Utah (the “Project”) and on November 19, 2021, the State Transportation Commission approved that \$7,000,000 loan (the “SIB Loan”) to the City for the Project; and

WHEREAS, in Resolution No. 31 of 2021 the City Council of Salt Lake City, Utah (the “City Council”), authorized the City to accept the SIB Loan and approved of the City entering into a loan agreement (the “Loan Agreement”) with UDOT with respect to the SIB Loan; and

WHEREAS, on December 6, 2021, the City and UDOT entered into the Loan Agreement; and

WHEREAS, in the Loan Agreement the City pledged to the repayment of the SIB Loan the funds allocated to it by H.B. 244 (2021), consisting of (1) a one-time distribution to the City of \$1,100,000 for fiscal year 2020-2021 and (2) an annual distribution to the City of \$1,100,000 for the next 15 years, beginning on or after July 1, 2021; and

WHEREAS, Utah Code section 72-2-204 requires that the City also pledge to the repayment of the SIB Loan a revenue source controlled by the City, and in Resolution No. 31 of 2021 a recital said that the City was also pledging its sales tax revenue; and

WHEREAS, the City has determined that it is better that the City pledge its Innkeepers Tax as a revenue source to repay the SIB loan rather than its sales tax revenue, and UDOT agreed in the Loan Agreement to the City pledging its Municipal Transient Room Tax under Utah Code Title 59, Chapter 12, Part 3A (the “Innkeepers Tax”) rather than its sales tax revenue as a revenue source to repay the SIB loan; and

WHEREAS, the City Council desires to amend Resolution No. 31 of 2021 to state and clarify that the City is pledging its Innkeepers Tax rather than its sales tax revenue as a revenue source to repay the SIB loan;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

Section 1. Resolution No. 31 of 2021 is hereby amended to delete any pledge of sales tax revenue as a revenue source to repay the SIB loan and instead to pledge the City's Innkeepers Tax as a revenue source to repay the SIB loan.

Section 2. This Resolution shall take effect immediately upon its adoption.

Passed by the City Council of Salt Lake City, Utah on _____, 2022.

SALT LAKE CITY COUNCIL

By _____
Chairperson

ATTEST:

City Recorder

Salt Lake City Attorney's Office
Approved As To Form

Boyd Ferguson
Boyd Ferguson

Signature: *Garrett A. Danielson*

Email: Garrett.Danielson@slcgov.com