



CITY COUNCIL TRANSMITTAL


10/26/2021 12:55 PM (MOT)

Lisa Shaffer, Chief Administrative Officer

Date Received: 11/01/2021

Date sent to Council: 11/01/2021

TO: Salt Lake City Council
Amy Fowler, Chair

DATE: October 26, 2021

FROM: Mary Beth Thompson, Chief Financial Officer 

SUBJECT: Salt Lake City Sales and Excise Tax Revenue Bonds, Series 2022A and 2022B

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

DOCUMENT TYPE: Briefing

RECOMMENDATION: 1) That the City Council hold a discussion in anticipation of adopting a Bond Resolution for the aforementioned bond issue; 2) That the City Council consider adopting a Bond Resolution approving the issuance and sale of up to \$55,000,000 principal amount of Sales and Excise Tax Revenue Bonds, Series 2022A and 2022B (the "Bonds"), and give authority to certain officers to approve the final terms and provisions of and confirm the sale of the Bonds within certain parameters set forth in the attached Bond Resolution.

BUDGET IMPACT:

Tax- Exempt Sales Tax and Excise Tax Revenue Bond, Series 2022A – \$23,653,000:

Proceeds from the Bonds will be used to finance the cost of the various capital improvement projects. The list of the capital improvement projects to be financed by this bond issue is attached. The City's Bond Counsel has reviewed the attached list of projects and provided their recommendations to the tax status of the bonds. The list is color-coded to reflect their responses.

Responses highlighted in green are for projects that are eligible for tax-exempt financing.

Responses highlighted in red are projects that either have or are likely to have private business use.

The Administration proposes to issue *tax-exempt* bonds for the projects highlighted in green for the total of \$23,653,000.

Based on preliminary estimates and the current interest rate environment, annual debt service costs would average approximately \$1,465,000 per year for 20 years. Attached are preliminary numbers including estimated sources and uses of funds as well as debt amortization schedules.

Taxable Sales Tax and Excise Tax Revenue Bond, Series 2022B - \$29,300,000:

The Administration proposes to issue *taxable* bonds for the projects highlighted in red for the total of \$29,300,000.

Based on preliminary estimates and the current interest rate environment, annual debt service costs would average \$1,872,000 per year for 20 years. Attached are preliminary numbers including estimated sources and uses of funds as well as debt amortization schedules.

BACKGROUND/DISCUSSION:

The table below summarizes the proposed bond issue:

NEW MONEY	
New Money Project List	\$52,953,000
Tax-Exempt (green highlight)	\$23,653,000
Taxable (red & yellow highlights)	\$29,300,000

An estimated debt service, a draft copy of the authorizing resolution of the City are included for your review. Please keep in mind that these are preliminary drafts and are subject to change.

Attachments

cc: Mary Beth Thompson, Mathew Cassel, Lorna Vogt.

Recommended Projects	Proposed Bond Project	Proposed Bond	Notes	Administration Notes
1	Transformer Replacement Project - City & County Building and Library Square	\$ 6,100,000.00	- \$3 million increase over original - Based on 70% design	Recommend at \$6.1 m. Increase is due to adding emergency generators and refining the design to meet requirements (larger vault). Four possible options being reviewed ranging from \$3.2 to \$6.15 m. \$6.2 is the recommended "50-yr fix" that includes backup generators for all four facilities. Soft cost contingency included. Sep-21
2	Glendale Water Park	\$ 6,800,000.00	- Design to budget approach	Recommend \$10 m for Phase 1 (the total project could be up to \$25 m in several phases). LCWF time limits are driving deadlines. Public engagement has just started—should be done early '22. Impact Fee CIP funds are available for \$3.2 m. Impact fees are currently allocated to the Pioneer Park project. Timing unknown
3	Pioneer Park	\$ 8,600,000.00	- Design to budget approach	Recommend \$8-10 m. It would be better to do it as one large project versus smaller ones over time. Public engagement is ongoing with concept design nearly complete, \$3.4 m is already available, the project will have very significant community impact, a solid concept will be done in early '22, and it is not Impact Fee eligible Timing unknown
4	Quiet Zones	\$ 6,100,000.00	- Pending Engineering review	Recommend \$6.1 m. Costs reviewed in early Sept. '21 Timing unknown
5	West Side Neighborhood Parks	\$ 4,000,000.00	- Design to budget approach	ARPA funding? If not, recommend \$4 m. Four primary parks, including a pump track Timing unknown
6	Fisher Mansion improvements - Stabilization	\$ 1,800,000.00	- Based on February 2010 structural study - Pending Engineering review	Recommend combining with Warm Springs below, project is for structural and envelope stabilization only. Soft cost contingency included. Sep-21
7	Warm Springs Historic Structure Stabilization (Needs description, wasn't on the original spreadsheet)	\$ 6,000,000.00	- \$600,000 increase over original	Recommend combining with Fisher Mansion stabilization for total of \$6 m. Measures include protecting the Warm Springs shell, security and fire systems, and seismic improvements to the exterior walls. These improvements are not dependent on the eventual end use. Soft cost contingency included.
8	Urban Wood Reutilization Equipment and Storage Additions	\$ 2,000,000.00	- \$300,000 increase over original -	Recommend at \$2 m. Easy project to accomplish with no civic engagement needed and minimal design. Estimate contingency included. Soft cost contingency included. Sep-21
9	Cemetery Road Repairs	\$ 1,000,000.00	- Based on October 2020 Cemetery Master Plan	Recommend \$1 m. This investment has the potential to bring in additional outside funds. Has good public support. Easier project to accomplish with more predictable construction costs. This project is also scalable to any investment up to about \$14 m. Soft cost contingency included.

			- Pending Engineering review	
10	600 N	\$ 9,753,000.00		600 N Reconstruction
11	Folsom Trail Landscaping (Needs description, wasn't ont the original spreadhseet)	\$ 800,000.00		Phase I Landscaping Folsom Trail is designed and cost estimates for this project are in the range of 800k to 1.2 Million. Phase I will not include any designed space for food trucks, festivals or other commercially available space. 1.Minimal landscaping along the Folsom trail itself, approximately 10 feet on either side of the Trail. Scope includes irrigation, seeding and planting areas. 2.Landscaping at street and Folsom Trail intersections including 600 West, 800 West, Jeremy, 900 West and 1000 West. Scope includes irrigation, seeding, planting areas, trees, crushed stone.
		\$ 52,953,000.00		

Preliminary; subject to change.

SALT LAKE CITY, UTAH

\$48,785,000 SALES AND EXCISE TAX REVENUE BONDS

SERIES 2022 A&B (February 10, 2022)

(\$52.953MM Projects)

Total Issue Sources And Uses

Dated 02/10/2022 | Delivered 02/10/2022

	2022A TAX- EXEMPT	2022B TAXABLE	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$19,315,000.00	\$29,470,000.00	\$48,785,000.00
Reoffering Premium	4,451,199.45	-	4,451,199.45
Total Sources	\$23,766,199.45	\$29,470,000.00	\$53,236,199.45
Uses Of Funds			
Total Underwriter's Discount (0.275%)	53,116.25	81,042.50	134,158.75
Costs of Issuance	57,945.00	88,410.00	146,355.00
Deposit to Project Construction Fund	23,653,000.00	29,300,000.00	52,953,000.00
Rounding Amount	2,138.20	547.50	2,685.70
Total Uses	\$23,766,199.45	\$29,470,000.00	\$53,236,199.45

Preliminary; subject to change.

SALT LAKE CITY, UTAH

\$19,315,000 SALES AND EXCISE TAX REVENUE BONDS

SERIES 2022A (February 10, 2022)

(\$23.653MM New Money, 20-Years Level)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/10/2022	-	-	-	-	-
04/01/2022	-	-	125,807.08	125,807.08	-
06/30/2022	-	-	-	-	125,807.08
10/01/2022	585,000.00	5.000%	444,025.00	1,029,025.00	-
04/01/2023	-	-	429,400.00	429,400.00	-
06/30/2023	-	-	-	-	1,458,425.00
10/01/2023	615,000.00	5.000%	429,400.00	1,044,400.00	-
04/01/2024	-	-	414,025.00	414,025.00	-
06/30/2024	-	-	-	-	1,458,425.00
10/01/2024	645,000.00	5.000%	414,025.00	1,059,025.00	-
04/01/2025	-	-	397,900.00	397,900.00	-
06/30/2025	-	-	-	-	1,456,925.00
10/01/2025	680,000.00	5.000%	397,900.00	1,077,900.00	-
04/01/2026	-	-	380,900.00	380,900.00	-
06/30/2026	-	-	-	-	1,458,800.00
10/01/2026	715,000.00	5.000%	380,900.00	1,095,900.00	-
04/01/2027	-	-	363,025.00	363,025.00	-
06/30/2027	-	-	-	-	1,458,925.00
10/01/2027	750,000.00	5.000%	363,025.00	1,113,025.00	-
04/01/2028	-	-	344,275.00	344,275.00	-
06/30/2028	-	-	-	-	1,457,300.00
10/01/2028	785,000.00	5.000%	344,275.00	1,129,275.00	-
04/01/2029	-	-	324,650.00	324,650.00	-
06/30/2029	-	-	-	-	1,453,925.00
10/01/2029	830,000.00	5.000%	324,650.00	1,154,650.00	-
04/01/2030	-	-	303,900.00	303,900.00	-
06/30/2030	-	-	-	-	1,458,550.00
10/01/2030	870,000.00	5.000%	303,900.00	1,173,900.00	-
04/01/2031	-	-	282,150.00	282,150.00	-
06/30/2031	-	-	-	-	1,456,050.00
10/01/2031	915,000.00	5.000%	282,150.00	1,197,150.00	-
04/01/2032	-	-	259,275.00	259,275.00	-
06/30/2032	-	-	-	-	1,456,425.00
10/01/2032	960,000.00	5.000%	259,275.00	1,219,275.00	-
04/01/2033	-	-	235,275.00	235,275.00	-
06/30/2033	-	-	-	-	1,454,550.00
10/01/2033	1,010,000.00	5.000%	235,275.00	1,245,275.00	-
04/01/2034	-	-	210,025.00	210,025.00	-
06/30/2034	-	-	-	-	1,455,300.00
10/01/2034	1,065,000.00	5.000%	210,025.00	1,275,025.00	-
04/01/2035	-	-	183,400.00	183,400.00	-
06/30/2035	-	-	-	-	1,458,425.00
10/01/2035	1,120,000.00	5.000%	183,400.00	1,303,400.00	-
04/01/2036	-	-	155,400.00	155,400.00	-
06/30/2036	-	-	-	-	1,458,800.00
10/01/2036	1,170,000.00	4.000%	155,400.00	1,325,400.00	-
04/01/2037	-	-	132,000.00	132,000.00	-
06/30/2037	-	-	-	-	1,457,400.00
10/01/2037	1,215,000.00	4.000%	132,000.00	1,347,000.00	-
04/01/2038	-	-	107,700.00	107,700.00	-
06/30/2038	-	-	-	-	1,454,700.00
10/01/2038	1,265,000.00	4.000%	107,700.00	1,372,700.00	-
04/01/2039	-	-	82,400.00	82,400.00	-
06/30/2039	-	-	-	-	1,455,100.00
10/01/2039	1,320,000.00	4.000%	82,400.00	1,402,400.00	-
04/01/2040	-	-	56,000.00	56,000.00	-
06/30/2040	-	-	-	-	1,458,400.00
10/01/2040	1,370,000.00	4.000%	56,000.00	1,426,000.00	-
04/01/2041	-	-	28,600.00	28,600.00	-
06/30/2041	-	-	-	-	1,454,600.00
10/01/2041	1,430,000.00	4.000%	28,600.00	1,458,600.00	-
06/30/2042	-	-	-	-	1,458,600.00
Total	\$19,315,000.00	-	\$9,950,432.08	\$29,265,432.08	-

Yield Statistics

Bond Year Dollars	\$225,828.79
Average Life	11.692 Years
Average Coupon	4.4061840%
Net Interest Cost (NIC)	2.4586541%
True Interest Cost (TIC)	2.1531145%
Bond Yield for Arbitrage Purposes	1.4671886%
All Inclusive Cost (AIC)	2.1792385%

IRS Form 8038

Net Interest Cost	1.9701956%
Weighted Average Maturity	11.744 Years

2022AB Comb New Money 10. | 2022A TAX-EXEMPT | 10/29/2021 | 8:45 AM

Stifel

Prepared by Stifel, Nicolaus & Company, Inc. (EJR)

Preliminary; subject to change.

SALT LAKE CITY, UTAH

\$29,470,000 TAXABLE SALES AND EXCISE TAX REVENUE BONDS

SERIES 2022B (February 10, 2022)

(\$29.3MM New Money, 20-Years Level)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/10/2022	-	-	-	-	-
04/01/2022	-	-	87,029.80	87,029.80	-
06/30/2022	-	-	-	-	87,029.80
10/01/2022	1,255,000.00	0.380%	307,164.00	1,562,164.00	-
04/01/2023	-	-	304,779.50	304,779.50	-
06/30/2023	-	-	-	-	1,866,943.50
10/01/2023	1,260,000.00	0.480%	304,779.50	1,564,779.50	-
04/01/2024	-	-	301,755.50	301,755.50	-
06/30/2024	-	-	-	-	1,866,535.00
10/01/2024	1,270,000.00	0.810%	301,755.50	1,571,755.50	-
04/01/2025	-	-	296,612.00	296,612.00	-
06/30/2025	-	-	-	-	1,868,367.50
10/01/2025	1,280,000.00	1.160%	296,612.00	1,576,612.00	-
04/01/2026	-	-	289,188.00	289,188.00	-
06/30/2026	-	-	-	-	1,865,800.00
10/01/2026	1,300,000.00	1.360%	289,188.00	1,589,188.00	-
04/01/2027	-	-	280,348.00	280,348.00	-
06/30/2027	-	-	-	-	1,869,536.00
10/01/2027	1,315,000.00	1.570%	280,348.00	1,595,348.00	-
04/01/2028	-	-	270,025.25	270,025.25	-
06/30/2028	-	-	-	-	1,865,373.25
10/01/2028	1,340,000.00	1.770%	270,025.25	1,610,025.25	-
04/01/2029	-	-	258,166.25	258,166.25	-
06/30/2029	-	-	-	-	1,868,191.50
10/01/2029	1,365,000.00	1.850%	258,166.25	1,623,166.25	-
04/01/2030	-	-	245,540.00	245,540.00	-
06/30/2030	-	-	-	-	1,868,706.25
10/01/2030	1,390,000.00	1.950%	245,540.00	1,635,540.00	-
04/01/2031	-	-	231,987.50	231,987.50	-
06/30/2031	-	-	-	-	1,867,527.50
10/01/2031	1,420,000.00	2.050%	231,987.50	1,651,987.50	-
04/01/2032	-	-	217,432.50	217,432.50	-
06/30/2032	-	-	-	-	1,869,420.00
10/01/2032	1,450,000.00	2.200%	217,432.50	1,667,432.50	-
04/01/2033	-	-	201,482.50	201,482.50	-
06/30/2033	-	-	-	-	1,868,915.00
10/01/2033	1,480,000.00	2.300%	201,482.50	1,681,482.50	-
04/01/2034	-	-	184,462.50	184,462.50	-
06/30/2034	-	-	-	-	1,865,945.00
10/01/2034	1,515,000.00	2.400%	184,462.50	1,699,462.50	-
04/01/2035	-	-	166,282.50	166,282.50	-
06/30/2035	-	-	-	-	1,865,745.00
10/01/2035	1,555,000.00	2.500%	166,282.50	1,721,282.50	-
04/01/2036	-	-	146,845.00	146,845.00	-
06/30/2036	-	-	-	-	1,868,127.50
10/01/2036	1,595,000.00	2.600%	146,845.00	1,741,845.00	-
04/01/2037	-	-	126,110.00	126,110.00	-
06/30/2037	-	-	-	-	1,867,955.00
10/01/2037	1,640,000.00	2.700%	126,110.00	1,766,110.00	-
04/01/2038	-	-	103,970.00	103,970.00	-
06/30/2038	-	-	-	-	1,870,080.00
10/01/2038	1,685,000.00	2.800%	103,970.00	1,788,970.00	-
04/01/2039	-	-	80,380.00	80,380.00	-
06/30/2039	-	-	-	-	1,869,350.00
10/01/2039	1,730,000.00	2.900%	80,380.00	1,810,380.00	-
04/01/2040	-	-	55,295.00	55,295.00	-
06/30/2040	-	-	-	-	1,865,675.00
10/01/2040	1,785,000.00	3.000%	55,295.00	1,840,295.00	-
04/01/2041	-	-	28,520.00	28,520.00	-
06/30/2041	-	-	-	-	1,868,815.00
10/01/2041	1,840,000.00	3.100%	28,520.00	1,868,520.00	-
06/30/2042	-	-	-	-	1,868,520.00
Total	\$29,470,000.00	-	\$7,972,557.80	\$37,442,557.80	-

Yield Statistics

Bond Year Dollars	\$319,384.92
Average Life	10.838 Years
Average Coupon	2.4962224%
Net Interest Cost (NIC)	2.5215969%
True Interest Cost (TIC)	2.4969861%
Bond Yield for Arbitrage Purposes	2.4671863%
All Inclusive Cost (AIC)	2.5296291%

IRS Form 8038

Net Interest Cost	2.4962224%
Weighted Average Maturity	10.838 Years

2022AB Comb New Money 10. | 2022B TAXABLE | 10/29/2021 | 8:45 AM

Stifel

Prepared by Stifel, Nicolaus & Company, Inc. (EJR)

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