

**SALT LAKE CITY COUNCIL STAFF REPORT**  
**BUDGET ANALYSIS – FISCAL YEAR 2003-04**

**DATE:** May 16, 2003

**BUDGET FOR:** **MUNICIPAL BUILDING AUTHORITY**

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In 1988, Salt Lake City established the Municipal Building Authority of Salt Lake City (MBA) as a nonprofit corporation organized for the purpose of acquiring or improving certain City projects and financing the costs of them on behalf of the City. The City entered into a master lease contract for use of the projects. Lease proceeds provide the funds necessary for the Municipal Building Authority to pay principal and interest on outstanding bonds and related fees. Upon payment in full of outstanding bonds for a project, title to the project vests with the City.

The proposed budget for the Municipal Building Authority Fund is \$5,882,074 for fiscal year 2003-04. As of June 30, 2003, the Municipal Building Authority will have \$66,690,000 in outstanding bonds.

<b>MUNICIPAL BUILDING AUTHORITY PROPOSED BUDGETS</b>				
	Adopted 2002-2003	Proposed 2003-2004	Difference	Percent Difference
<b>Funding sources</b>				
Capital Improvement Fund	\$3,693,795	<b>\$3,488,814</b>	\$(204,981)	(5.5%)
Golf Fund	819,222	<b>719,665</b>	(99,557)	(12.2%)
Redevelopment Agency – 1993A bonds	360,531	<b>361,082</b>	(551)	0.2%
Redevelopment Agency – Ice Arena	1,037,703	<b>1,037,703</b>	-	
Redevelopment Agency – Gateway	-	<b>274,810</b>	274,810	
Capitalized interest – Justice Court	399,736	-	(399,736)	(100.0%)
Capitalized interest – Police Precinct	436,215	-	(436,215)	(100.0%)
Total funding sources	\$6,747,202	<b>\$5,882,074</b>	\$(865,128)	(12.8%)
<b>Debt Service</b>				
Bond principal	\$3,260,000	<b>\$2,300,000</b>	\$(960,000)	(29.4%)
Bond interest	3,462,402	<b>3,558,704</b>	96,302	2.8%
Trustee fees	14,800	<b>13,370</b>	(1,430)	(9.7%)
Arbitrage calculation services	10,000	<b>10,000</b>	-	
Total Debt Service	\$6,747,202	<b>\$5,882,074</b>	\$(865,128)	(12.8%)

**Transfer from Capital Improvement Fund** – The General Fund’s lease payment requirement is transferred from the General Fund to the CIP Fund (as part of the 9%) and then transferred to the Municipal Building Authority. The General Fund’s lease payments (through the CIP Fund) to the Municipal Building Authority Fund for fiscal year 2003-2004 will be \$204,981 less than in fiscal year 2002-2003. This means that funds available in the CIP fund for pay-as-you-go projects should be \$204,981 more in fiscal year 2003-2004 than what they would have otherwise have been (as related to debt of the Municipal Building Authority).

**Golf Fund** - MBA bond documents provide that the Golf Fund pays the scheduled debt service for Wingpointe construction, Mountain Dell construction, and Glendale irrigation projects for a total of \$719,665 in fiscal year 2003-04.

**Redevelopment Agency** - The Redevelopment Agency contributes funds from a portion of tax increment revenue (Statutory Allocation Reduction Revenue) relating to the Franklin Covey baseball field and the Ice Arena.

**Capitalized Interest** – Since the Municipal Building Authority can lease only useable facilities to the City, some of the bond proceeds were used to pay interest on the bonds in fiscal year 2002-03 during the construction period.

<b>Debt Service Payment Schedule</b>	
Fiscal year 2003-2004	5,915,485
Fiscal year 2004-2005	5,916,921
Fiscal year 2005-2006	5,919,506
Fiscal year 2006-2007	5,918,336
Fiscal year 2007-2008	5,917,971
Fiscal year 2008-2009	5,918,664
Fiscal year 2009-2010	5,914,654
Fiscal year 2010-2011	5,917,589
Fiscal year 2011-2012	5,915,839
Fiscal year 2012-2013	5,917,479
Fiscal year 2013-2014	5,916,425
Fiscal year 2014-2015	5,915,845
Fiscal year 2015-2016	5,917,380
Fiscal year 2016-2017	5,918,593
Fiscal year 2017-2018	5,916,430
Fiscal year 2018-2019	5,915,290
Fiscal year 2019-2020	5,919,345
Fiscal year 2020-2021	5,917,500
<b>Total</b>	<b>\$106,509,252</b>

The City Council serves as the Board of Directors for the Municipal Building Authority of Salt Lake City. The Municipal Building Authority of Salt Lake City has issued the following bonds:

- **1988** – The City’s Municipal Building Authority sold bonds to purchase streetlights; garbage trucks and cans; telephone equipment; and purchase and renovate a building (Public Safety Building).

- **1988** – The Municipal Building Authority issued bonds to construct a golf course at the Salt Lake International Airport and to add an additional 18 holes to the Mountain Dell Golf Course.
- **1990** – The Municipal Building Authority issued bonds to construct the Steiner Aquatic Center.
- **1991** – The Municipal Building Authority issued bonds to replace the 1988 golf course bonds.
- **1993** – The Municipal Building Authority issued bonds for the construction of the Franklin Covey Baseball Stadium; construction of a new fire station (No. 1) and renovation of two existing fire stations (No. 6 and No. 13); improvements of the Circuit Court parking structure; installation of a new irrigation system at the cemetery; improvements to the Wasatch Hollow Park; renovation of the Forest Dale Clubhouse; and land acquisition and design for extension of two City streets (400 West Street and California Avenue).
- **1997** – The Municipal Building Authority entered into an equipment lease purchase agreement to improve the Glendale Golf Course irrigation system.
- **1999** – The Municipal Building Authority issued bonds for purchase of the building where Information Management Services is currently located and for refunding the series 1991 and 1997 bonds (series 1999A). In 1999, the Municipal Building Authority also issued bonds for an ice arena, fire training tower equipment, and improvements to the Gateway area (series 1999B).
- **2001** – The Municipal Building Authority issued bonds for the purchase of a building and remodel of the building to serve as a Justice Court and for the remodel of a City-owned building to serve as a Police Precinct Station.