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CITY TREASURER

**SALT LAKE CITY CORPORATION**  
DEPARTMENT OF MANAGEMENT SERVICES  
TREASURER'S DIVISION

RALPH BECKER  
MAYOR

**CITY COUNCIL TRANSMITTAL**

  
David Everitt, Chief of Staff

Date Received: 9/18/08  
Date sent to Council: 9/22/08

**TO:** Salt Lake City Council  
Jill Remington-Love, Chair

**DATE:** September 16, 2008

**FROM:** Steve Fawcett, Management Services Interim Director



**SUBJECT:** General Obligation Bonds, Series 2008A, Notice of Public Hearing for  
Open Space Projects



**STAFF CONTACT:** Daniel A. Mulé, City Treasurer (535-6411)



**DOCUMENT TYPE:** Briefing/Resolution

**RECOMMENDATION:** That the City Council adopt a Public Hearing Resolution on October 7, 2008 for the above-mentioned bond issue that will: a) authorize a *Notice of Public Hearing* to be published twice prior to the date set for the public hearing; and b) set November 6, 2008 as the date to hold the public hearing.

**BUDGET IMPACT:** None. A property tax levy resulting from the issuance of voter-authorized general obligation bonds for the Open Space Projects will generate sufficient property tax revenue to cover debt service costs for the period over which the bonds are outstanding.

**BACKGROUND/DISCUSSION:** On November 4, 2003, voters within Salt Lake City authorized the City to issue and sell general obligation bonds in an amount not to exceed \$5.4 million for the purpose of paying the costs of acquiring and preserving open space, park and recreational lands, and amenities within Salt Lake City or its environs. A Parameters Resolution was adopted by the City Council on April 18, 2006 for both The Leonardo and Open Space Projects. That Resolution contemplated bonds being issued in one or more series up to \$5.4 million for Open Space and at a rate or rates not to exceed 8%.

In accordance with provisions of the Local Government Bonding Act, the City is required to hold a public hearing to receive input from the public with respect to: a) the issuance

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of our general obligation bonds; and b) the potential economic impact that the Project will have on the private sector. The financing team is requesting that the City Council approve a motion on October 7, 2008 setting Thursday, November 6, 2008 as the date to hold the public hearing. A *Notice of Public Hearing* is required to be published once a week for two consecutive weeks, with the first publication being at least 14 days prior to the date set for the public hearing. The current plan is for the *Notice of Public Hearing* to be published on October 12, 2008 and October 19, 2008. The Resolution and Notice are attached for your review.

Bonding requirements state that within eighteen months after an asset is placed into service, bonds need to be issued. To date, three properties have been purchased and placed in service:

**“H Rock” Properties:** (purchased 9/28/07)

- Williamson Property - \$428,000
- Primos Property - \$190,500

**4<sup>th</sup> East Community Garden:** (purchased 6/17/08)

- Wasatch Community Garden - \$126,439.69 (The City holds a Conservation Easement on this property.)

In addition to the purchases indicated above and miscellaneous appraisal fees, there will be some bond issuance costs. Our financial advisor suggests a not-to-exceed par amount of bonds to be issued at this time of \$800,000. Using an estimated interest rate of 4.5% and a repayment period of 15 years, debt service is estimated to be \$74,500 per year.

Attachment

cc: Vicki Bennett, Steve Fawcett, Boyd Ferguson, Rick Graham, Gordon Hoskins, Marina Scott, Emy Storheim

RESOLUTION NO. \_\_ OF 2008

**A RESOLUTION PROVIDING FOR THE HOLDING OF A PUBLIC HEARING RELATIVE TO THE CITY'S GENERAL OBLIGATION BONDS; PROVIDING FOR ALTERNATIVE METHODS OF SALE OF THE BONDS AND PROVIDING FOR RELATED MATTERS.**

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WHEREAS, at the special bond election duly and lawfully called and held in Salt Lake City, Salt Lake County, Utah (the "*City*"), on November 4, 2003 (the "*Bond Election*"), the issuance of \$5,400,000 principal amount of general obligation bonds (the "*Bonds*") was authorized for the purpose of paying the costs of acquiring and preserving open space, park and recreational lands and amenities (the "*Open Space Projects*");

WHEREAS, the Issuer has not heretofore issued any of the Bonds voted at the Bond Election;

WHEREAS, the City Council (the "*Council*") of the City considers it desirable and necessary and for the benefit of the City to issue up to \$800,000 of the Bonds, in one or more series, for the purpose of (a) financing all or a portion of the cost of the acquisition and construction of the Open Space Projects and (b) paying the costs incurred in connection with the issuance and sale of the Bonds;

WHEREAS, on April 18, 2006, the Council adopted Resolution No. 24 of 2006 (the "*Parameters Resolution*") that authorized the issuance of the Bonds subject to certain parameters and authorized the publication of a Notice of Bonds to be Issued;

WHEREAS, the Parameters Resolution contemplated a sale of the Bonds by the receipt of competitive bids;

WHEREAS, pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), and the authorization of the Bond Election, the City has the authority to issue the Bonds for the foregoing purposes;

WHEREAS, Section 11-14-318 of the Act requires that a public hearing be held to receive input from the public with respect to the issuance of the Bonds and the potential economic impact that the Project will have on the private sector and that notice of such public hearing be given as provided by law and, in satisfaction of such requirement, the City desires to publish a Notice of Public Hearing and Intent to Issue Bonds (the “*Notice of Public Hearing*”) pursuant to such Section; and

WHEREAS, the City desires to provide for the holding of a public hearing, as required by law and to allow for alternative methods for the sale of the Bonds;

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

*Section 1. Findings and Determinations.* The Council hereby finds, determines and declares that the financing of the Project is in the public interest and is in the best interest of the City and the businesses, residents and consumers within the City.

*Section 2. Public Hearing.* In satisfaction of the requirements of Section 11-14-318 of the Act, a public hearing shall be held by the Council on Thursday, November 6, 2008, during the regular Council meeting which begins at 7:00 p.m., at the regular meeting place of the Council in the Council Chambers, Room 315 in the City and County Building, 451 South State Street, in Salt Lake City, Utah, to receive input from the public with respect to the issuance by the City of the Bonds and the potential economic impact that the Project will have on the private sector.

*Section 3. Publication of Notice of Public Hearing.* The City Recorder or any Deputy City Recorder (the “*City Recorder*”) shall publish or cause to be published the Notice of Public Hearing in *The Salt Lake Tribune* and the *Deseret News*, newspapers having general circulation in Salt Lake City, Utah, and in which notices relative to the City are customarily published. Such notice shall be published once a week for two consecutive weeks, with the first publication being at least 14 days prior to the date set for the public hearing. The Notice of Public Hearing shall be in substantially the form attached hereto as *Annex 1*.

*Section 4. City Recorder to Perform Certain Acts.* The City Recorder is hereby directed to maintain a certified copy of this Resolution on file in office of the City Recorder during regular business hours for inspection by registered voters of the City, and other interested persons.

*Section 5. Sale of the Bonds.* Notwithstanding the provisions of the Parameters Resolution relating to a competitive bidding process for the sale of the bonds, the Bonds shall be sold in such manner as is determined to be in the best interest of the City by the City Treasurer of the City, in consultation with Wells Fargo Brokerage Services, LLC, the financial advisor to the City.

*Section 6. Severability.* It is hereby declared that all parts of this Resolution are severable, and if any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Resolution.

*Section 7. Repealer.* All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

*Section 8. Effective Immediately.* This Resolution shall take effect immediately upon its adoption.

*(Signature page follows.)*

ADOPTED and APPROVED by the City Council and the Mayor of Salt Lake City, Salt Lake County, Utah, this 7th day of October, 2008.

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

By \_\_\_\_\_  
Chair

[SEAL]

ATTEST:

By \_\_\_\_\_  
[Deputy] City Recorder

APPROVED:

By \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

By \_\_\_\_\_  
Senior City Attorney

## ANNEX 1

### SALT LAKE CITY, UTAH NOTICE OF PUBLIC HEARING AND INTENT TO ISSUE BONDS

PUBLIC NOTICE IS HEREBY GIVEN that on October 7, 2008, the City Council (the "Council") of Salt Lake City, Utah (the "City"), adopted a resolution (the "Resolution") calling a public hearing to receive input from the public with respect to the issuance of its general obligation bonds (the "Bonds") to finance all or a portion of the cost of acquiring and preserving open space, park and recreational lands and amenities (the "Open Space Projects") and the potential economic impact that the Open Space Projects will have on the private sector, pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act").

#### PURPOSE FOR ISSUING BONDS

The City intends to issue the Bonds for the purpose of (1) financing all or a portion of the costs of acquiring and preserving the Open Space Projects and (2) paying the costs incurred in connection with the issuance and sale of the Bonds.

#### MAXIMUM PRINCIPAL AMOUNT OF THE BONDS

The City intends to issue the Bonds in an aggregate principal amount not exceeding Eight Hundred Thousand Dollars (\$800,000), as authorized at a special bond election duly and lawfully called and held in the City on November 4, 2003.

#### THE TAXES, IF ANY, PROPOSED TO BE PLEDGED

The City proposes to pledge the full faith and credit of the City for the payment of the Bonds and may be obligated to levy and collect ad valorem taxes without limitation as to rate or amount in order to pay the Bonds, as provided by law.

#### TIME, PLACE AND LOCATION OF PUBLIC HEARING

The City will hold a public hearing during its City Council meeting that begins at 7:00 p.m. on November 6, 2008. The public hearing will be held at the regular meeting place of the Council in the Council Chambers, Room 315 in the City and County Building, 451 South State Street, in Salt Lake City, Utah. All members of the public are invited to attend and participate in the public hearing. Written comments may be submitted to the City, to the attention of the City Recorder, prior to the public hearing.



PURPOSE FOR HEARING

The purpose of the hearing is to receive input from the public with respect to the issuance of the Bonds and the potential economic impact that the Open Space Projects will have on the private sector.

SALT LAKE CITY, UTAH

By \_\_\_\_\_  
[Deputy] City Recorder