DANIEL A. MULE'
CITY TREASURER

SALT LAKE CITY CORPORATION

DEPARTMENT OF MANAGEMENT SERVICES
TREASURER'S DIVISION

RALPH BECKER
MAYOR

RECEIVED
JUN 09 2009
By

CITY COUNCIL TRANSMITTAL

David Everitt, Chief of Staff

Date Received:
Date sent to Council: 06/09/09

TO: Salt Lake City Council
Carlton Christensen, Chair

DATE: June 9, 2009

FROM: Lyn Creswell, Management Services Director

SUBJECT: Results of Sale for General Obligation Bonds, Series 2009B, The Leonardo at Library Square Project

STAFF CONTACT: Daniel A. Mulé, City Treasurer DAM

DOCUMENT TYPE: Resolution

RECOMMENDATION: That the City Council adopt the Resolution authorizing the issuance of $10,200,000 of General Obligation Bonds, Series 2009B, and award the sale of these bonds to UBS Financial Services, Inc.

BUDGET IMPACT: Approximately $740,000 per year for 20 years will be needed to fund annual debt service payments and other bonding costs through a property tax levy.

BACKGROUND/DISCUSSION: The Bonds were sold using the competitive method of sale, whereby the Bonds are awarded to the firm offering the lowest interest rate bid. Five bids were received. UBS Financial Services, Inc. submitted the lowest bid; their true interest cost was 3.81852%. Full results of the sale are attached for your review, as well as schedules showing the estimated impact from the required tax levy on residential and commercial property owners for fiscal year 2010.

Our Financial Adviser, Wells Fargo Brokerage Services, LLC, and I are extremely pleased with the interest that was shown by the number of bidders as well as the results of the sale, and we recommend that you approve the Bond Resolution before you this evening allowing for the sale and issuance of General Obligation Bonds, Series 2009B to UBS Financial Services, Inc.

Attachments

cc: Lyn Creswell, Boyd Ferguson, Rick Graham, Gordon Hoskins, Marina Scott

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LOCATION: 451 SOUTH STATE STREET, ROOM 228, SALT LAKE CITY, UTAH 84111
MAILING ADDRESS: P.O. BOX 145462, SALT LAKE CITY, UTAH 84114-5462
TELEPHONE: 801-535-7946 FAX: 801-535-6082
WWW.SLCGOV.COM

$10,200,000
Salt Lake City, Utah
General Obligation Bonds
Series 2009B

Pricing Summary

Pricing Date:	June 9, 2009
Closing Date:	June 24, 2009
Rating:	Moody's "Aaa"
Form of Bonds:	Book Entry (DTC)
Paying Agent:	U.S. Bank National Association
Structure:	Fixed-Rate
Type of Sale:	Competitive
Maturity:	June 15, 2010 through June 15, 2029
Optional Redemption:	June 15, 2019 @ par
Coupons:	2.00% to 4.375%
True Interest Cost:	3.818520%
Underwriter:	UBS Financial Services Inc.
Financial Advisor:	Wells Fargo Brokerage Services, LLC
Bond/Disclosure Counsel:	Chapman and Cutler LLP

Purpose: The proceeds of the Bonds, together with other available City funds, will be used primarily to pay the City's cost of renovating, improving and preserving the old main library building and providing related facilities located at approximately 5th South Street and 2nd East Street to establish a science, culture and art education center currently known as "The Leonardo." A portion of the proceeds will be used to pay certain costs of issuance.

Security: The Bonds will be general obligations of the City, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the City, fully sufficient to pay the Bonds as to both principal and interest.

$10,200,000
Salt Lake City, Utah
General Obligation Bonds, Series 2009B
(The Leonardo Project)

		RANKING OF BIDDERS				
		1	2	3	4	5
Maturity Date	Principal Amount	***UBS Financial Services Inc.***	*Zions First National Bank*	*Robert W. Baird & Co., Inc.*	*Piper Jaffray*	*BMO Capital Markets*
06/15/10	370,000	2.000	4.000	3.000	3.000	2.000
06/15/11	375,000	2.000	3.000	2.000	2.500	2.000
06/15/12	390,000	2.000	3.000	2.000	2.500	2.000
06/15/13	400,000	2.250	3.000	2.250	2.500	2.250
06/15/14	410,000	2.500	3.000	2.500	2.750	2.500
06/15/15	425,000	2.500	4.000	2.750	2.750	2.750
06/15/16	435,000	3.000	4.000	3.000	3.000	4.000
06/15/17	450,000	3.125	4.000	4.000	3.000	4.000
06/15/18	465,000	3.250	4.000	4.000	3.250	4.000
06/15/19	485,000	3.500	4.000	4.000	3.500	3.500
06/15/20	500,000	3.750	3.500	4.000	4.250	
06/15/21	520,000	4.000	3.600	4.000	4.500	
06/15/22	540,000	4.000	3.750	4.000	4.500	
06/15/23	560,000	4.000	3.900	4.000	4.500	
06/15/24	585,000	4.000	4.000		4.000	5.000
06/15/25	605,000	4.000	4.125	4.125	4.125	
06/15/26	630,000	4.125	4.250			
06/15/27	655,000	4.125	4.350	4.250	4.375	
06/15/28	685,000	4.250	4.450			
06/15/29	715,000	4.375	4.550	4.500	4.500	4.750
	Principal:	10,200,000.00	10,200,000.00	10,200,000.00	10,200,000.00	10,200,000.00
	Premium:	5,303.70	192,156.55	-	41,621.35	158,846.60
	Total:	10,205,303.70	10,392,156.55	10,200,000.00	10,241,621.35	10,358,846.60
Interest to Maturity:		4,592,841.88	4,835,472.53	4,804,871.56	4,868,223.75	5,390,484.06
(Less) Premium:		(5,303.70)	(192,156.55)	-	(41,621.35)	(158,846.60)
Net Interest Cost:		4,587,538.18	4,643,315.98	4,804,871.56	4,826,602.40	5,231,637.46
True Interest Cost (TIC):		**3.818520%**	3.834061%	4.005329%	4.009191%	4.309562%

Salt Lake City, Utah
Estimated Impact of Annual Debt Service
Existing and the Series 2009B Bonds

Existing Bonds:	Debt Service Payment FYE 6/30/10	Estimated Tax Levy (a)	Taxable Value (b) for Home of $150,000	Estimated Annual Tax	Taxable Value (b) for Home of $250,000	Estimated Annual Tax	Taxable Value (b) for Home of $350,000	Estimated Annual Tax	Taxable Value (b) for Home of $500,000	Estimated Annual Tax
Series 1999 (Library)	4,113,187.50	0.0002313	82,500	19.08	137,500	31.80	192,500	44.53	275,000	63.61
Series 2002 (Refund portion of Series 1999)	2,739,568.76	0.0001541	82,500	12.71	137,500	21.19	192,500	29.66	275,000	42.38
Series 2004A (Hogle Zoo & Tracy Aviary)	865,287.50	0.0000487	82,500	4.02	137,500	6.70	192,500	9.37	275,000	13.39
Series 2009A (Open Space)	103,627.59	0.0000058	82,500	0.48	137,500	0.80	192,500	1.12	275,000	1.60
Total Existing Impact:				**36.29**		**60.49**		**84.68**		**120.98**
Proposed Bonds (c):										
Series 2009B (The Leonardo Project)	717,416.88	0.0000403	82,500	3.32	137,500	5.54	192,500	7.76	275,000	11.08
Total Proposed Impact:				**3.32**		**5.54**		**7.76**		**11.08**
Total Existing and Proposed Impact:				**39.61**		**66.03**		**92.44**		**132.06**

(a) Taxable Value provided by Salt Lake City. This amount is net of Redevelopment Agency Value.
Base Tax amount for 2007 equals $17,779,861,880

(b) All residential homes receive a 45% exemption.

(c) Priced June 9, 2009, with settlement date of June 24, 2009.

FOR DISCUSSION PURPOSES ONLY

Salt Lake City, Utah
Estimated Impact of Annual Debt Service
Existing and the Series 2009B Bonds

Existing Bonds:	Debt Service Payment FYE 6/30/10	Estimated Tax Levy (a)	Commercial Property $350,000	Estimated Annual Tax	Commercial Property $500,000	Estimated Annual Tax	Commercial Property $1,000,000	Estimated Annual Tax
Series 1999 (Library)	4,113,187.50	0.0002313	350,000	80.96	500,000	115.65	1,000,000	231.30
Series 2002 (Refund portion of Series 1999)	2,739,568.76	0.0001541	350,000	53.94	500,000	77.05	1,000,000	154.10
Series 2004A (Hogle Zoo & Tracy Aviary)	865,287.50	0.0000487	350,000	17.05	500,000	24.35	1,000,000	48.70
Series 2009A (Open Space)	103,627.59	0.0000058	350,000	2.03	500,000	2.90	1,000,000	5.80
Total Existing Impact:				**153.98**		**219.95**		**439.90**
Proposed Bonds (c):								
Series 2009B (The Leonardo Project)	717,416.88	0.0000403	350,000	14.11	500,000	20.15	1,000,000	40.30
Total Proposed Impact:				**14.11**		**20.15**		**40.30**
Total Existing and Proposed Impact:				**168.09**		**240.10**		**480.20**

(a) Taxable Value provided by Salt Lake City. This amount is net
of Redevelopment Agency Value.
Base Tax amount for 2007 equals $17,779,861,880

(b) All residential homes receive a 45% exemption.

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FOR DISCUSSION PURPOSES ONLY