



STAFF REPORT

TO: Summit County Council
FROM: Matt Leavitt – Summit County Financial Officer
DATE: March 28, 2018
SUBJECT: Update on status of 2018 Transportation Bonds

BACKGROUND:

In November 2016 the voters of Summit County approved two new sales and use tax initiatives, each at 0.25%. As part of the commitment to adopt the transportation sales tax, County staff committed to address traffic congestion issues in strategic areas. As part of this commitment it is necessary to issue revenue bonds to begin engineering and construction in a more timely manner. The 2018 transportation sales tax bonds were included in the adopted 2018 budget and will be the first in an anticipated series of bonds to be issued in the future.

On March 19, 2018 a ratings presentation was made to Standard & Poor’s (S&P’s) which issued a rating of “AA-“ on March 23. This rating is similar to the bond rating received on the 2017 Sales Tax bonds. The County’s financial advisor (Brian Baker, Zions Bank Public Finance) and staff are pleased with the rating received in light of the newness of the pledged source. With this rating it is expected that the County will get favorable results with a competitive bid as opposed to a private placement. The competitive bidding is scheduled to occur on April 4, 2018.

A “AA-“ rating by S&P’s indicates that the rating agency gives the 2018 Transportation Sales Tax bonds a high, investment-grade designation. The rating reflects the agency’s opinion that the County’s:

- Proximity and accessibility to the broad Salt Lake City economy for full-time residents;
- Strong coverage of pro forma maximum annual debt service;
- Moderately diverse concentration among the County’s major businesses that generates sales tax revenues; and
- Very strong per capita retail sales, despite its moderate population size.

For the Council meeting on April 4, staff should have additional updated information after the competitive bond sale that morning. Staff anticipates having an updated and final debt service schedule and can report to the Council the number of bidders and the winning bid for the bonds.

The closing date for the bonds is currently scheduled for April 19th at the offices of Gilmore & Bell.

COUNCIL REQUIRED ACTION:

No action is required. Staff is updating the Council of the status regarding the 2018 Transportation Sales Tax bonds.

Projects defined by the 2018 adopted budget that are related to the 2018 transportation sales tax bonds are outlined as follows:

SCHEDULE OF SOURCES & USES OF 2018 SALES TAX BONDS:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Sources:			
Cost share/grants	3,650,000	11,500,000	6,699,000
Revenues from bonds*	22,000,000		
from bond balance		13,230,000	7,215,000
Total sources:	<u>25,650,000</u>	<u>24,730,000</u>	<u>13,914,000</u>
Uses:			
Kamas park & ride	545,000	500,000	
Jeremy/Pinebrook interchange	5,500,000		
Kilby Road widening (Ecker to Jeremy)	3,460,000		
SR-248 corridor/safety improvement	2,915,000	15,500,000	8,000,000
Bitner/Sliver Creek Rd connection		1,515,000	
Cline/Dahle park & ride			1,648,000
Fixed guideway (survey, design, purchase)			1,500,000
Total uses:	<u>12,420,000</u>	<u>17,515,000</u>	<u>11,148,000</u>
Sources LESS Uses	<u><u>13,230,000</u></u>	<u><u>7,215,000</u></u>	<u><u>2,766,000</u></u>

**Revenues from bonds will be "not to exceed" in order to account for closing costs, bond rates, etc.*

Any questions, comments or thoughts regarding the proposed 2018 budget or items that may have been neglected, please inform me either by email or phone call at 435-336-3017.