
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: August 5, 2003

SUBJECT: **Railyard Special Improvement District
Assessment Ordinance and Bond Sale**

AFFECTED COUNCIL DISTRICTS: Council District 4

STAFF REPORT BY: Gary Mumford

**ADMINISTRATIVE DEPT:
AND CONTACT PERSON:** Department of Management Services
Dan Mulé, City Treasurer

KEY ELEMENTS:

The Council previously created the Railyard special improvement district at approximately 100 South and 400 West. The final Council actions relating to this district is to adopt the assessment ordinance and a resolution authorizing the issuance of bonds. The Council may wish to consider these actions at its August 12th meeting.

RECOMMENDED MOTION:

Council staff recommends that the Council adopt the ordinance and resolution.

["I move that the Council"] **Adopt the assessment ordinance confirming the assessment rolls and levying an assessment against certain properties and related matters.**

["I move that the Council"] **Adopt a resolution finalizing the terms and conditions of the issuance and sale of adjustable rate demand assessment bonds, series 2003, in the aggregate principal amount of \$17,600,000; awarding and confirming the sale of the bonds; and related matters.**

BACKGROUND:

In 1999, the Boyer Company requested that the City create a special improvement district for public improvements in the Gateway project area that qualified for this type of financing. The improvements consisted of sidewalks, crosswalks, storm drainage systems, landscaping, curb and gutter, irrigations systems, utility lines, paving of roads, and other public related improvements. The property owner constructed and installed the improvements with the understanding that the City would issue bonds to finance the improvements.

This special improvement district differs substantially from the City's traditional special improvement districts because of the large dollar amount, the longer repayment period, and because there is only one property owner. The district and the related bonding were structured to shift legal and economic risks from the City to the property owner. The bonds are special limited obligations of the City, payable solely from assessments levied against the property owner. A direct-pay letter of credit provided by Citibank, N.A. will secure the payment of principal and interest.

CHRONOLOGY:

- November 16, 1999 – The Council adopted a resolution declaring the intention of the City to create the Railyard special improvement district.
- December 16, 1999 –The Council adopted a resolution creating the Railyard special improvement district.

cc: Rocky Fluhart, Dan Mulé, JD Baxter