
M E M O R A N D U M

DATE: May 1, 2007
TO: City Council Members
FROM: Jennifer Bruno, Policy Analyst
RE: Sales Tax Revenue Bond Parameters Resolution for the Grant Tower and TRAX Extension Projects

The Administration has prepared a briefing for the Council regarding adoption of a parameters resolution for the bond issuance relating to the Grant Tower and TRAX Extension projects.

- A. The Parameters resolution contemplates the issuance of “up to” \$8.8 million principal amount of bonds bearing interest rate not more than 5.5%. The term of the bonds is contemplated to be 21 years.
- B. The *actual* total amount to be bonded for is \$8.53 million. This is consistent with previous Council briefings. The following is the breakdown of project costs:

Project	Amount
Grant Tower (City)	\$2,535,000
Grant Tower (RDA)	<u>\$3,145,000</u>
Total Grant Tower	\$5,680,000
TRAX Extension (bond-eligible portion)	<u>\$2,850,000</u>
Total Bond Amount	\$8,530,000

- C. Total cost of issuance and underwriter’s costs are \$116,592.
- D. As detailed in the Administration’s transmittal, debt service payments are contemplated to begin in October of 2007.
- E. Debt service totals approximately \$663,000 per year. This is a breakdown of debt service by projects:

Project	Debt Service
Grant Tower (City)	\$183,000
Grant Tower (RDA)	<u>\$274,000</u>
Total Grant Tower	\$457,000
TRAX Extension (bond-eligible portion)	<u>\$206,000</u>
Total Bond Amount	\$663,000

As shown in this chart, the total yearly debt service that the City’s general fund is responsible for is **\$389,000** per year.

- F. The Resolution is scheduled for Council consideration and adoption on May 8, 2007.

APR 24 2007

DANIEL A. MULE'
CITY TREASURER

SALT LAKE CITY CORPORATION
DEPARTMENT OF MANAGEMENT SERVICES
TREASURER

ROSS D. "ROCKY" ANDERSON
MAYOR

COUNCIL TRANSMITTAL

TO: Lyn Creswell, Chief Administrative Officer
[Signature]

DATE: April 24, 2007

FROM: Daniel A. Mulé, City Treasurer *DAM*

SUBJECT: Sales Tax Revenue Bonds, Series 2007A Parameters Resolution for Westside Railroad Realignment Project (Grant Tower) and TRAX Extension Project

STAFF CONTACT: Daniel A. Mulé, City Treasurer

TELEPHONE NUMBER: 535-6411

RECOMMENDATION: That the City Council hold a discussion in anticipation of approving a Parameters Resolution for the aforementioned bond issue.

DOCUMENT TYPE: Briefing/Discussion

BUDGET IMPACT: Approximately \$663,000 per year in total debt service costs. This equates to approximately \$206,000 per year for the TRAX Extension project, \$183,000 per year for the City's portion of the Grant Tower project, and approximately \$274,000 per year for the RDA's portion of the Grant Tower project. The RDA will pay their portion of the debt service through 10/1/2021, when the tax increment project area expires. The final maturity for the City's portion is 10/1/2026.

DISCUSSION: The Parameters Resolution for the above-referenced bond issue contemplates the issuance of up to \$8.8 million principal amount of bonds bearing interest at a rate not to exceed 5.50% and maturing in not more than 21 years. The Parameters Resolution is scheduled for adoption on May 8, 2007.

Schedules provided by the City's Financial Advisor, Wells Fargo Public Finance, are attached showing an anticipated Sources and Uses Statement, debt service for the combined projects and debt service by project funding source.

Attachments

cc: Steve Fawcett, Randy Hillier, Gordon Hoskins, Marina Scott

N:\DAN\Parameters-TRAX and Grant Tower.doc

\$8,530,000

Salt Lake City, Utah

Sales Tax Revenue Bonds, Series 2007

(Grant Tower & Trax Extension Projects)

Total Issue Sources And Uses

Dated 07/10/2007 | Delivered 07/10/2007

	Grant Tower (RDA)	Grant Tower (City)	Trax Extension	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$3,145,000.00	\$2,535,000.00	\$2,850,000.00	\$8,530,000.00
Total Sources	\$3,145,000.00	\$2,535,000.00	\$2,850,000.00	\$8,530,000.00
Uses Of Funds				
Total Underwriter's Discount (0.500%)	15,725.00	12,675.00	14,250.00	42,650.00
Costs of Issuance	27,262.30	21,974.57	24,705.13	73,942.00
Deposit to Project Construction Fund	3,100,000.00	2,500,000.00	2,810,000.00	8,410,000.00
Rounding Amount	2,012.70	350.43	1,044.87	3,408.00
Total Uses	\$3,145,000.00	\$2,535,000.00	\$2,850,000.00	\$8,530,000.00

FOR DISCUSSION PURPOSES ONLY

File | SALESTAXREVENUE.SF | SLC Sales Tax Grnt Twr & | Issue Summary | 4/13/2007 | 11:23 AM

Wells Fargo Brokerage Services, LLC

Public Finance

\$8,530,000

Salt Lake City, Utah

Sales Tax Revenue Bonds, Series 2007

(Grant Tower & Trax Extension Projects)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
06/30/2008	425,000.00	3.670%	236,015.13	661,015.13	661,015.13
06/30/2009	350,000.00	3.700%	314,222.50	664,222.50	664,222.50
06/30/2010	365,000.00	3.710%	300,976.75	665,976.75	665,976.75
06/30/2011	375,000.00	3.710%	287,249.75	662,249.75	662,249.75
06/30/2012	390,000.00	3.720%	273,039.50	663,039.50	663,039.50
06/30/2013	405,000.00	3.730%	258,232.25	663,232.25	663,232.25
06/30/2014	420,000.00	3.760%	242,783.00	662,783.00	662,783.00
06/30/2015	440,000.00	3.810%	226,505.00	666,505.00	666,505.00
06/30/2016	455,000.00	3.850%	209,364.25	664,364.25	664,364.25
06/30/2017	475,000.00	3.880%	191,390.50	666,390.50	666,390.50
06/30/2018	495,000.00	3.950%	172,399.25	667,399.25	667,399.25
06/30/2019	515,000.00	3.990%	152,348.75	667,348.75	667,348.75
06/30/2020	535,000.00	4.030%	131,294.25	666,294.25	666,294.25
06/30/2021	555,000.00	4.080%	109,192.00	664,192.00	664,192.00
06/30/2022	580,000.00	4.110%	85,951.00	665,951.00	665,951.00
06/30/2023	320,000.00	4.170%	67,360.00	387,360.00	387,360.00
06/30/2024	335,000.00	4.200%	53,653.00	388,653.00	388,653.00
06/30/2025	350,000.00	4.230%	39,215.50	389,215.50	389,215.50
06/30/2026	365,000.00	4.260%	24,038.50	389,038.50	389,038.50
06/30/2027	380,000.00	4.280%	8,132.00	388,132.00	388,132.00
Total	\$8,530,000.00	-	\$3,383,362.88	\$11,913,362.88	\$11,913,362.88

FOR DISCUSSION PURPOSES ONLY

File | SALESTAXREVENUE.SF | SLC Sales Tax Grnt Twr & | Issue Summary | 4/13/2007 | 11:23 AM

Wells Fargo Brokerage Services, LLC

Public Finance

\$3,145,000

Salt Lake City, Utah

Sales Tax Revenue Bonds, Series 2007

(Grant Tower Project - RDA Portion)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
07/10/2007	-	-	-	-	-
10/01/2007	190,000.00	3.670%	27,378.00	217,378.00	-
04/01/2008	-	-	57,353.50	57,353.50	-
06/30/2008	-	-	-	-	274,731.50
10/01/2008	160,000.00	3.700%	57,353.50	217,353.50	-
04/01/2009	-	-	54,393.50	54,393.50	-
06/30/2009	-	-	-	-	271,747.00
10/01/2009	170,000.00	3.710%	54,393.50	224,393.50	-
04/01/2010	-	-	51,240.00	51,240.00	-
06/30/2010	-	-	-	-	275,633.50
10/01/2010	175,000.00	3.710%	51,240.00	226,240.00	-
04/01/2011	-	-	47,993.75	47,993.75	-
06/30/2011	-	-	-	-	274,233.75
10/01/2011	180,000.00	3.720%	47,993.75	227,993.75	-
04/01/2012	-	-	44,645.75	44,645.75	-
06/30/2012	-	-	-	-	272,639.50
10/01/2012	190,000.00	3.730%	44,645.75	234,645.75	-
04/01/2013	-	-	41,102.25	41,102.25	-
06/30/2013	-	-	-	-	275,748.00
10/01/2013	195,000.00	3.760%	41,102.25	236,102.25	-
04/01/2014	-	-	37,436.25	37,436.25	-
06/30/2014	-	-	-	-	273,538.50
10/01/2014	205,000.00	3.810%	37,436.25	242,436.25	-
04/01/2015	-	-	33,531.00	33,531.00	-
06/30/2015	-	-	-	-	275,967.25
10/01/2015	210,000.00	3.850%	33,531.00	243,531.00	-
04/01/2016	-	-	29,488.50	29,488.50	-
06/30/2016	-	-	-	-	273,019.50
10/01/2016	220,000.00	3.880%	29,488.50	249,488.50	-
04/01/2017	-	-	25,220.50	25,220.50	-
06/30/2017	-	-	-	-	274,709.00
10/01/2017	230,000.00	3.950%	25,220.50	255,220.50	-
04/01/2018	-	-	20,678.00	20,678.00	-
06/30/2018	-	-	-	-	275,898.50
10/01/2018	240,000.00	3.990%	20,678.00	260,678.00	-
04/01/2019	-	-	15,890.00	15,890.00	-
06/30/2019	-	-	-	-	276,568.00
10/01/2019	250,000.00	4.030%	15,890.00	265,890.00	-
04/01/2020	-	-	10,852.50	10,852.50	-
06/30/2020	-	-	-	-	276,742.50
10/01/2020	260,000.00	4.080%	10,852.50	270,852.50	-
04/01/2021	-	-	5,548.50	5,548.50	-
06/30/2021	-	-	-	-	276,401.00
10/01/2021	270,000.00	4.110%	5,548.50	275,548.50	-
06/30/2022	-	-	-	-	275,548.50
Total	\$3,145,000.00	-	\$978,126.00	\$4,123,126.00	-

FOR DISCUSSION PURPOSES ONLY

File | SALESTAXREVENUE.SF | SLC Sales Tax Grnt Twr & | Grant Tower (RDA) | 4/13/2007 | 11:23 AM

Wells Fargo Brokerage Services, LLC

Public Finance

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\$2,535,000

Salt Lake City, Utah

Sales Tax Revenue Bonds, Series 2007

(Grant Tower Project - City Portion)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/10/2007	-	-	-	-	-
10/01/2007	110,000.00	3.670%	22,734.00	132,734.00	-
04/01/2008	-	-	48,501.50	48,501.50	-
06/30/2008	-	-	-	-	181,235.50
10/01/2008	90,000.00	3.700%	48,501.50	138,501.50	-
04/01/2009	-	-	46,836.50	46,836.50	-
06/30/2009	-	-	-	-	185,338.00
10/01/2009	90,000.00	3.710%	46,836.50	136,836.50	-
04/01/2010	-	-	45,167.00	45,167.00	-
06/30/2010	-	-	-	-	182,003.50
10/01/2010	95,000.00	3.710%	45,167.00	140,167.00	-
04/01/2011	-	-	43,404.75	43,404.75	-
06/30/2011	-	-	-	-	183,571.75
10/01/2011	100,000.00	3.720%	43,404.75	143,404.75	-
04/01/2012	-	-	41,544.75	41,544.75	-
06/30/2012	-	-	-	-	184,949.50
10/01/2012	100,000.00	3.730%	41,544.75	141,544.75	-
04/01/2013	-	-	39,679.75	39,679.75	-
06/30/2013	-	-	-	-	181,224.50
10/01/2013	105,000.00	3.760%	39,679.75	144,679.75	-
04/01/2014	-	-	37,705.75	37,705.75	-
06/30/2014	-	-	-	-	182,385.50
10/01/2014	110,000.00	3.810%	37,705.75	147,705.75	-
04/01/2015	-	-	35,610.25	35,610.25	-
06/30/2015	-	-	-	-	183,316.00
10/01/2015	115,000.00	3.850%	35,610.25	150,610.25	-
04/01/2016	-	-	33,396.50	33,396.50	-
06/30/2016	-	-	-	-	184,006.75
10/01/2016	120,000.00	3.880%	33,396.50	153,396.50	-
04/01/2017	-	-	31,068.50	31,068.50	-
06/30/2017	-	-	-	-	184,465.00
10/01/2017	125,000.00	3.950%	31,068.50	156,068.50	-
04/01/2018	-	-	28,599.75	28,599.75	-
06/30/2018	-	-	-	-	184,668.25
10/01/2018	130,000.00	3.990%	28,599.75	158,599.75	-
04/01/2019	-	-	26,006.25	26,006.25	-
06/30/2019	-	-	-	-	184,606.00
10/01/2019	135,000.00	4.030%	26,006.25	161,006.25	-
04/01/2020	-	-	23,286.00	23,286.00	-
06/30/2020	-	-	-	-	184,292.25
10/01/2020	140,000.00	4.080%	23,286.00	163,286.00	-
04/01/2021	-	-	20,430.00	20,430.00	-
06/30/2021	-	-	-	-	183,716.00

FOR DISCUSSION PURPOSES ONLY

File | SALESTAXREVENUE.SF | SLC Sales Tax Grnt Twr & | Grant Tower (City) | 4/13/2007 | 11:23 AM

Wells Fargo Brokerage Services, LLC

Public Finance

\$2,535,000

Salt Lake City, Utah

Sales Tax Revenue Bonds, Series 2007

(Grant Tower Project - City Portion)

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2021	145,000.00	4.110%	20,430.00	165,430.00	-
04/01/2022	-	-	17,450.25	17,450.25	-
06/30/2022	-	-	-	-	182,880.25
10/01/2022	150,000.00	4.170%	17,450.25	167,450.25	-
04/01/2023	-	-	14,322.75	14,322.75	-
06/30/2023	-	-	-	-	181,773.00
10/01/2023	160,000.00	4.200%	14,322.75	174,322.75	-
04/01/2024	-	-	10,962.75	10,962.75	-
06/30/2024	-	-	-	-	185,285.50
10/01/2024	165,000.00	4.230%	10,962.75	175,962.75	-
04/01/2025	-	-	7,473.00	7,473.00	-
06/30/2025	-	-	-	-	183,435.75
10/01/2025	170,000.00	4.260%	7,473.00	177,473.00	-
04/01/2026	-	-	3,852.00	3,852.00	-
06/30/2026	-	-	-	-	181,325.00
10/01/2026	180,000.00	4.280%	3,852.00	183,852.00	-
06/30/2027	-	-	-	-	183,852.00
Total	\$2,535,000.00	-	\$1,133,330.00	\$3,668,330.00	-

Yield Statistics

Bond Year Dollars	\$27,670.38
Average Life	10.915 Years
Average Coupon	4.0958245%
Net Interest Cost (NIC)	4.1416316%
True Interest Cost (TIC)	4.1423795%
Bond Yield for Arbitrage Purposes	4.0384074%
All Inclusive Cost (AIC)	4.2480076%

IRS Form 8038

Net Interest Cost	4.0958245%
Weighted Average Maturity	10.915 Years

FOR DISCUSSION PURPOSES ONLY

File | SALESTAXREVENUE.SF | SLC Sales Tax Grnt Twr & | Grant Tower (City) | 4/13/2007 | 11:23 AM

Wells Fargo Brokerage Services, LLC

Public Finance

\$2,850,000

Salt Lake City, Utah

Sales Tax Revenue Bonds, Series 2007

(Trax Extension Portion)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/10/2007	-	-	-	-	-
10/01/2007	125,000.00	3.670%	25,554.38	150,554.38	-
04/01/2008	-	-	54,493.75	54,493.75	-
06/30/2008	-	-	-	-	205,048.13
10/01/2008	100,000.00	3.700%	54,493.75	154,493.75	-
04/01/2009	-	-	52,643.75	52,643.75	-
06/30/2009	-	-	-	-	207,137.50
10/01/2009	105,000.00	3.710%	52,643.75	157,643.75	-
04/01/2010	-	-	50,696.00	50,696.00	-
06/30/2010	-	-	-	-	208,339.75
10/01/2010	105,000.00	3.710%	50,696.00	155,696.00	-
04/01/2011	-	-	48,748.25	48,748.25	-
06/30/2011	-	-	-	-	204,444.25
10/01/2011	110,000.00	3.720%	48,748.25	158,748.25	-
04/01/2012	-	-	46,702.25	46,702.25	-
06/30/2012	-	-	-	-	205,450.50
10/01/2012	115,000.00	3.730%	46,702.25	161,702.25	-
04/01/2013	-	-	44,557.50	44,557.50	-
06/30/2013	-	-	-	-	206,259.75
10/01/2013	120,000.00	3.760%	44,557.50	164,557.50	-
04/01/2014	-	-	42,301.50	42,301.50	-
06/30/2014	-	-	-	-	206,859.00
10/01/2014	125,000.00	3.810%	42,301.50	167,301.50	-
04/01/2015	-	-	39,920.25	39,920.25	-
06/30/2015	-	-	-	-	207,221.75
10/01/2015	130,000.00	3.850%	39,920.25	169,920.25	-
04/01/2016	-	-	37,417.75	37,417.75	-
06/30/2016	-	-	-	-	207,338.00
10/01/2016	135,000.00	3.880%	37,417.75	172,417.75	-
04/01/2017	-	-	34,798.75	34,798.75	-
06/30/2017	-	-	-	-	207,216.50
10/01/2017	140,000.00	3.950%	34,798.75	174,798.75	-
04/01/2018	-	-	32,033.75	32,033.75	-
06/30/2018	-	-	-	-	206,832.50
10/01/2018	145,000.00	3.990%	32,033.75	177,033.75	-
04/01/2019	-	-	29,141.00	29,141.00	-
06/30/2019	-	-	-	-	206,174.75
10/01/2019	150,000.00	4.030%	29,141.00	179,141.00	-
04/01/2020	-	-	26,118.50	26,118.50	-
06/30/2020	-	-	-	-	205,259.50
10/01/2020	155,000.00	4.080%	26,118.50	181,118.50	-
04/01/2021	-	-	22,956.50	22,956.50	-
06/30/2021	-	-	-	-	204,075.00

FOR DISCUSSION PURPOSES ONLY

File | SALESTAXREVENUE.SF | SLC Sales Tax Grnt Twr & | Trax Extension | 4/13/2007 | 11:23 AM

Wells Fargo Brokerage Services, LLC

Public Finance

\$2,850,000

Salt Lake City, Utah
Sales Tax Revenue Bonds, Series 2007
(Trax Extension Portion)

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2021	165,000.00	4.110%	22,956.50	187,956.50	-
04/01/2022	-	-	19,565.75	19,565.75	-
06/30/2022	-	-	-	-	207,522.25
10/01/2022	170,000.00	4.170%	19,565.75	189,565.75	-
04/01/2023	-	-	16,021.25	16,021.25	-
06/30/2023	-	-	-	-	205,587.00
10/01/2023	175,000.00	4.200%	16,021.25	191,021.25	-
04/01/2024	-	-	12,346.25	12,346.25	-
06/30/2024	-	-	-	-	203,367.50
10/01/2024	185,000.00	4.230%	12,346.25	197,346.25	-
04/01/2025	-	-	8,433.50	8,433.50	-
06/30/2025	-	-	-	-	205,779.75
10/01/2025	195,000.00	4.260%	8,433.50	203,433.50	-
04/01/2026	-	-	4,280.00	4,280.00	-
06/30/2026	-	-	-	-	207,713.50
10/01/2026	200,000.00	4.280%	4,280.00	204,280.00	-
06/30/2027	-	-	-	-	204,280.00
Total	\$2,850,000.00	-	\$1,271,906.88	\$4,121,906.88	-

Yield Statistics

Bond Year Dollars	\$31,056.25
Average Life	10.897 Years
Average Coupon	4.0954941%
Net Interest Cost (NIC)	4.1413786%
True Interest Cost (TIC)	4.1420879%
Bond Yield for Arbitrage Purposes	4.0384074%
All Inclusive Cost (AIC)	4.2478757%

IRS Form 8038

Net Interest Cost	4.0954941%
Weighted Average Maturity	10.897 Years

FOR DISCUSSION PURPOSES ONLY

File | SALESTAXREVENUE.SF | SLC Sales Tax Grnt Twr & | Trax Extension | 4/13/2007 | 11:23 AM

RESOLUTION NO. __ OF 2007

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$8,800,000 AGGREGATE PRINCIPAL AMOUNT OF SALES TAX REVENUE BONDS OF SALT LAKE CITY, UTAH, TO BE ISSUED IN ONE OR MORE SERIES; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE AND THE MAXIMUM INTEREST RATE THAT THE BONDS MAY BEAR; PROVIDING FOR THE PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING THE CIRCULATION OF THE PRELIMINARY OFFICIAL STATEMENT WITH RESPECT THERETO; AND PROVIDING FOR RELATED MATTERS.

*** *** ***

WHEREAS, the City Council (the "*Council*") of Salt Lake City, Salt Lake County, Utah (the "*City*") considers it desirable and necessary and for the benefit of the City to issue up to \$8,800,000 principal amount of sales tax revenue bonds (the "*Bonds*"), in one or more series, for the purpose of (a) financing a portion of the cost of acquiring and constructing (i) certain improvements relating to its Westside Railroad Realignment Project (Grant Tower), (ii) certain infrastructure improvements in connection with the light rail expansion within the City and (iii) various other capital improvement program projects (collectively, the "*Project*"), (b) funding any necessary reserves and contingencies in connection with the Bonds, and (c) paying the costs incurred in connection with the issuance and sale of the Bonds;

WHEREAS, pursuant to the applicable provisions of Chapter 14 of Title 11 (the "*Act*") of the Utah Code Annotated 1953, as amended (the "*Utah Code*"), the City has the authority to issue its sales tax revenue bonds for the foregoing purposes;

WHEREAS, Section 11-14-316 of the Utah Code provides for the publication of a Notice of Bonds to be Issued (the "*Notice*") and the running of a 30-day contest period, and the City

desires to cause the publication of such Notice at this time in compliance with said section with respect to the Bonds;

WHEREAS, Section 11-14-307(6) of the Utah Code requires that a public hearing be held with respect to the issuance of the Bonds and that notice of such public hearing be given as provided by law;

WHEREAS, on April 23, 2007 and April 30, 2007 the City published in *The Salt Lake Tribune* and the *Deseret Morning News* a Notice of Public Hearing and Intent to Issue Sales Tax Revenue Bonds (the "*Notice of Public Hearing*") pursuant to Section 11-14-307(6) of the Utah Code;

WHEREAS, pursuant to the Notice of Public Hearing a public hearing was held by the Council on Tuesday, May 8, 2007 (the "*Public Hearing*"), on the issuance by the City of the Bonds;

WHEREAS, Section 11-14-307(7) of the Utah Code requires the City to submit the question of whether or not to issue the Bonds to voters for their approval or rejection if, within 30 calendar days after the final publication of the Notice of Public Hearing, a written petition requesting an election and signed by at least 20% of the registered voters in the City is filed with the City; and

WHEREAS, the City desires (a) to provide for the publication of the Notice and (b) to provide for the form of the written petition requesting an election, as required by law;

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

Section 1. Bonds Authorized; Purpose. The Council hereby finds and determines that it is in the best interests of the residents of the City for the City to issue the Bonds in an

aggregate principal amount not to exceed Eight Million Eight Hundred Thousand Dollars (\$8,800,000), to bear interest at a rate or rates of not to exceed five and one-half percent (5.50%) per annum, to mature over a period not to exceed twenty-one (21) years from their date or dates, and to be sold at a discount from par not to exceed two percent (2.00%) of the principal amount thereof, pursuant to a resolution to be adopted and approved by the City in substantially the form attached hereto as *Annex 1* (the "*Final Bond Resolution*"), the Master Trust Indenture, dated as of September 1, 2004, as heretofore amended and supplemented (the "*Master Indenture*"), between the City and Zions First National Bank, as trustee, a copy of which is attached hereto as *Annex 2*, and a Third Supplemental Trust Indenture to be entered into at the time of issuance of the Bonds in substantially the form attached hereto as *Annex 3* (collectively with the Master Indenture, the "*Indenture*"). The Bonds shall be subject to such optional and mandatory redemption and other provisions as are contained in the final form of the Bonds and the Indenture. Therefore, the City hereby declares its intention to issue the Bonds according to the provisions of this Resolution, the Final Bond Resolution and the Indenture for the purpose of paying all or part of the cost of (a) financing a portion of the cost of construction of the Project, (b) funding any necessary reserves or contingencies in connection with the Bonds, and (c) paying the costs incurred in connection with the issuance and sale of the Bonds.

Section 2. Notice of Bonds to be Issued; Contest Period. In accordance with the provisions of Section 11-4-316 of the Utah Code, the City Recorder or any Deputy City Recorder shall cause the Notice, in substantially the form attached hereto as *Annex 4*, to be published one time in *The Salt Lake Tribune* and the *Deseret Morning News*, newspapers having general circulation within the City.

For a period of thirty (30) days from and after publication of the Notice, any person in interest shall have the right to contest the legality of this Resolution (including the Final Bond Resolution and the Third Supplemental Trust Indenture attached hereto) or the Bonds hereby authorized or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Resolution (including the Final Bond Resolution and the Third Supplemental Trust Indenture) or the Bonds or any provisions made for the security and payment of the Bonds for any cause.

Section 3. Form of Petition. The use by the City Recorder of the form of the petition used by registered voters in requesting that an election be called to authorize the Bonds in substantially the form attached hereto as *Annex 5* is hereby ratified and approved.

Section 4. City Recorder to Perform Certain Acts. The City Recorder is hereby directed to maintain a copy of this Resolution (together with all annexes hereto), the form of the Final Bond Resolution, a copy of the Master Indenture and the form of the Third Supplemental Trust Indenture on file in his office during his regular business hours for public examination by registered voters of the City and other interested persons, and upon request to supply copies of the form of petition specified in Section 3 hereof until at least thirty (30) days from and after the date of the final publication on April 30, 2007, of the Notice of Public Hearing.

Section 5. Issuance of Bonds After Thirty-Day Period. In accordance with the provisions of Section 11-14-307(7) of the Utah Code, if within thirty (30) days after the final publication on April 30, 2007, of the Notice of Public Hearing, a petition or petitions, in the form specified by Section 3 hereof, are filed with the City Recorder, signed by not less than twenty percent (20%) of the registered voters of the City (as certified by the County Clerk of Salt Lake County) requesting that an election be called to authorize the Bonds, then the Council shall

proceed to call and hold an election on the Bonds. If such election is held and a majority of the registered voters of the City voting thereon approve the Bonds, then, in accordance with the provisions of the Act, the City shall thereupon be authorized to issue the Bonds. If no petition is filed within the thirty-day period after the date of the final publication of such notice, or if it is determined that the number of signatures on the petitions filed within the thirty-day period after the date of the final publication of such notice is less than the required number, the City shall proceed to issue the Bonds.

Section 6. Preparation and Distribution of a Preliminary Official Statement. The preparation and distribution of a Preliminary Official Statement for the Bonds in connection with the sale thereof is hereby authorized.

Section 7. 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 8. Repealer. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 9. Effective Immediately. This Resolution shall take effect immediately upon its adoption.

(Signature page follows.)

ADOPTED AND APPROVED this 8th day of May, 2007.

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

Chair
Salt Lake City Council

[SEAL]

ATTEST:

[Chief] Deputy City Recorder

APPROVED:

By _____
Mayor

APPROVED AS TO FORM:

By _____
Senior City Attorney

ANNEX 1

[ATTACH FORM OF FINAL BOND RESOLUTION]

ANNEX 2

[ATTACH COPY OF MASTER TRUST INDENTURE]

ANNEX 3

[ATTACH FORM OF THIRD SUPPLEMENTAL TRUST INDENTURE]

ANNEX 4

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 11-114-316, Utah Code Annotated 1953, as amended, that on May 8, 2007, the City Council (the "*Council*") of Salt Lake City, Utah (the "*City*"), adopted a resolution (the "*Resolution*") in which it authorized and approved the issuance of its sales tax revenue bonds in one or more series (collectively, the "*Bonds*"), in an aggregate principal amount of not to exceed Eight Million Eight Hundred Thousand Dollars (\$8,800,000), to bear interest at a rate or rates of not to exceed five and one-half percent (5.50%) per annum and to mature not later than twenty-one (21) years from their date or dates and to be sold at a discount from par not to exceed two percent (2.00%). The Bonds shall be subject to such optional and mandatory redemption and other provisions as are contained in the Master Trust Indenture, described below, and the final form of the Bonds and Third Supplemental Trust Indenture, described below.

Pursuant to the Resolution, the Bonds are to be issued for the purpose of paying all or part of the cost of (a) financing a portion of the cost of acquiring and constructing (i) certain improvements relating to its Westside Railroad Realignment Project (Grant Tower), (ii) certain infrastructure improvements in connection with the light rail expansion within the City and (iii) various other capital improvement program projects, (b) funding any necessary reserves and contingencies in connection with the Bonds, and (c) paying the costs incurred in connection with the issuance and sale of the Bonds. The Bonds are to be issued and sold by the City pursuant to the Resolution, including as part of the Resolution a draft, in substantially final form, of a final bond resolution and a Third Supplemental Trust Indenture and a copy of the Master Trust Indenture, dated as of September 1, 2004, as heretofore amended and supplemented (the "*Master Indenture*"), between the City and Zions First National Bank, a trustee, that were before the Council and attached to the Resolution at the time of the adoption of the Resolution. The Council will adopt the final bond resolution and the City will cause the Third Supplemental Trust Indenture to be executed and delivered, in each case in such form and with such changes thereto as the Council shall approve upon the adoption of the final bond resolution, *provided* that the principal amount, interest rate or rates, maturity and discount, if any, will not exceed the respective maximums described above.

A copy of the Resolution (including the drafts of the final bond resolution and the Third Supplemental Trust Indenture and a copy of the Master Indenture attached to the Resolution) is on file in the office of the City Recorder, located in Room 415, City and County Building, 451 South State Street, in Salt Lake City, Utah, where the Resolution may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. The Resolution shall be so available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

NOTICE IS FURTHER GIVEN that pursuant to law for a period of thirty (30) days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the Resolution (including the final bond resolution and the Third Supplemental Trust Indenture attached thereto) of the City or the Bonds authorized thereby or

any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of the Resolution, the Bonds or the provisions for their security or payment for any cause.

DATED this 8th day of May, 2007.

SALT LAKE CITY, UTAH

[Chief] Deputy City Recorder

[SEAL]

ANNEX 5

PETITION

To: City Recorder
Salt Lake City, Utah

We, the undersigned citizens and registered voters of Salt Lake City, Utah, respectfully request that an election be called by the City Council of Salt Lake City, Utah, pursuant to the provisions of Section 11-14-307(7), Utah Code Annotated 1953, as amended, to authorize the issuance by Salt Lake City, Utah, of its sales tax revenue bonds, in a maximum principal amount not exceeding \$8,800,000 as to which notice of public hearing and intent to issue bonds was published on April 23, 2007 and April 30, 2007, in *The Salt Lake Tribune* and the *Deseret Morning News*, and each for himself or herself says: I have personally signed this petition; I am a registered voter of Salt Lake City, Utah; my residence and post office address are correctly written after my name:

WARNING

It is a felony for anyone to sign any initiative or referendum petition with any other name than one's own, or knowingly to sign one's name more than once for the same measure, or to sign such petition when one knows that he or she is not a registered voter.

REGISTERED VOTER'S PRINTED NAME (MUST BE LEGIBLE TO BE COUNTED)	SIGNATURE OF REGISTERED VOTER	STREET ADDRESS, CITY, STATE, ZIP CODE

[The following certification shall appear on the reverse side of each page attached to the Petition containing the signature of voters]

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, _____, of _____, hereby certify that I am a registered voter of Salt Lake City, Salt Lake County, Utah, that all the names which appear on this sheet were signed by persons who professed to be the persons whose names appear thereon, and each of them signed his or her name thereto in my presence, I believe that each has printed and signed his or her name, and written his or her post office address and residence correctly, and that each signer is a registered voter of Salt Lake City, Salt Lake County, Utah.

Subscribed and sworn to before me this _____ day of _____, 2007.

Notary Public (or other official title)