



City Council Staff Report

Subject: General Obligation Bond Public Hearing
Author: Budget Team
Department: Budget, Debt, & Grants
Date: October 5, 2023
Type of Item: Administrative

Summary Recommendation

City Council should conduct a public hearing per state code for the purpose of receiving input on the \$30,000,000 recreational facility general obligation bond (GO Bond) that was adopted by City Council on August 22, 2023.

Executive Summary

On November 21, 2023, Park City voters will have the opportunity to answer this question on the ballot:

Shall Park City, Utah (the "City"), be authorized to issue general obligation bonds in the amount not to exceed thirty million dollars (\$30,000,000) (the "Bonds") for the purpose of financing all or a portion of the costs associated with constructing, improving, furnishing, and equipping new and existing City recreational facilities? This includes but is not limited to expanded fitness facilities, field lights, indoor and outdoor pickleball courts, Nordic area, refrigerated outdoor ice sheet, and support maintenance facilities. Said Bonds are to be due and payable in not to exceed twenty (20) years from the date of issuance of the Bonds.

Per [Utah State Code section 11-14-318](#), City Council shall hold a public hearing to receive input from the public regarding (a) the issuance of the GO Bond and (b) any potential economic impact that the improvements, facilities, or properties financed in whole or part with the proceeds of the bond may have on the private sector. Additionally, notices for this hearing have been posted on the Utah Public Meeting Notice website and on Park City's website: <https://engageparkcity.org/pcrecreation> and in public locations where it is likely to be seen by residents of the City at least 14 days before the October 5, 2023, hearing date.

Tax Analysis

If the GO Bonds are issued as planned (and without regard to the existing taxes currently paid for existing bonds that will reduce over time), a property tax sufficient to pay debt service on the Bonds will be required over a period of 20 years, the estimated average amount of \$137.20 per year on a \$2.34M primary residence and in the estimated amount of \$249.46 per year on a business property having the same value. The foregoing information is only an estimate and is not a limit on the amount of taxes that the Council may be required to levy to pay debt service on the Bonds. The Council is obligated to levy taxes to the extent provided by law to pay the Bonds. The amounts are based on various assumptions and estimates, including estimated debt service on the Bonds and

taxable values of property in the City.

Below you will find a more detailed funding profile based on assessed value:

Assessed Value	Annual Increase (Est.)		Monthly Increase (Est.)	
	Primary	Non-Primary	Primary	Non-Primary
\$500,000	\$29	\$52	\$2	\$4
\$1,000,000	\$58	\$105	\$5	\$9
\$1,500,000	\$87	\$157	\$7	\$13
\$2,000,000	\$116	\$210	\$10	\$17
\$2,340,000	\$137	\$250	\$11	\$21
\$3,000,000	\$173	\$315	\$14	\$26
\$3,500,000	\$202	\$367	\$17	\$31
\$4,000,000	\$231	\$420	\$19	\$35
\$4,500,000	\$260	\$472	\$22	\$39
\$7,000,000	\$404	\$735	\$34	\$61

GO Bond Timeline

Date	Action Item
October 5	Hold a public hearing
October 26	Hold a public meeting regarding the ballot proposition.
October 31	Ballots mailed
November 21	Election

Department Review

This report has been reviewed by the Budget Office, City Attorney, and City Manager's Office.