

STAFF REPORT

TO: Summit County Council
FROM: Matt Leavitt – Summit County Financial Officer
DATE: April 29, 2021
SUBJECT: Consideration and possible approval of RAP tax bonds parameters resolution



BACKGROUND:

During the November 2020 general election voters approved to continue the recreation, arts, and parks (RAP) tax. The RAP tax is a 0.10% county-wide sales tax on certain taxable goods. The RAP tax must be reapproved by voters every 10 years. If it is not approved, then it expires after the 10-year period. RAP tax revenues are used to grant funds as recommended by the RAP Arts Committee (50%) and RAP Recreation Committee (50%).

RAP Recreation funds must be used for publicly owned facilities. Due to the high cost of acquiring and constructing facilities the County has historically opted to bond against the RAP Recreation portion of the revenues. For example, in 2012 the County bonded for \$3.2 million for RAP Recreation projects.

The distribution of RAP Recreation funds were set in the 2020 RAP Tax Reauthorization Voting Resolution. Allocations were based upon population estimates at the time the Resolution was drafted and are as follows:

- Snyderville Basin Area – 48%
- Park City Area – 21%
- North Summit Area – 13%
- South Summit Area – 18%

COUNCIL REQUIRED ACTION:

The Council may approve, reject or delay approval of the attached parameters resolution. The parameters resolution allows designated County representatives to move forward with issuing the RAP tax bonds within the parameters set forth in the resolution. In summary, those parameters are to issue bonds no more than \$8.8 million at a rate of not more than 4.0%.

Under those parameters and according to the allocation amounts in the Reauthorization Voting Resolution the amounts to be distributed by the RAP Recreation Committee are:

- Snyderville Area - \$4,224,000
- Park City Area - \$1,848,000

- North Summit Area - \$1,144,000
- South Summit Area - \$1,584,000

Costs of issuing the bonds and bond fees would reduce the actual total amounts for each area.

By issuing the RAP Tax Recreation Bonds in 2021 it is anticipated that the more frequently issued smaller RAP Recreation grants will not occur until sufficient balances have been accumulated in the account. Both Council and RAP Recreation Committee should be aware that depending on RAP sales tax revenues those balances may not be sufficient for granting projects for 3-4 years.

Attached to this staff report is the parameters resolution for the Council's consideration as well a Calendar of Events.

Please address comments or questions to:

Matt Leavitt, Chief Financial Officer

mleavitt@summitcounty.org

(435) 336-3017

ATTACHMENTS

Coalville, Utah

May 5, 2021

The County Council (the "Council") of Summit County, Utah, convened an electronic meeting without a physical location on Wednesday, May 5, 2021, at the hour of _____ p.m in accordance with Utah Code Section 52-4-207(4). Members of the public are invited and encouraged to view and participate in the Council's electronic meetings. To view Council meeting, live, visit the "Summit County, Utah" Facebook page at 2:50 p.m. OR to participate in Council meeting: Join Zoom webinar: <https://zoom.us/j/772302472> OR To listen by phone only: Dial 1-301-715-8592, Webinar ID: 772 302 472, with the following members of the Council being present:

Roger Armstrong	Councilmember
Doug Clyde	Councilmember
Malena Stevens	Councilmember
Chris Robinson	Vice Chair/Councilmember
Glen Wright	Chair/ Councilmember

Also present:

Tom Fisher	County Manager
Kelly Robinson	Interim County Clerk

Absent:

None

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the County Clerk presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this May 5, 2021, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by Councilmember _____ and seconded by Councilmember _____, was adopted by the following vote:

AYE:

NAY:

The resolution is as follows:

RESOLUTION NO. _____

A RESOLUTION OF THE COUNTY COUNCIL OF SUMMIT COUNTY, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$8,800,000 AGGREGATE PRINCIPAL AMOUNT OF SPECIAL OBLIGATION SALES TAX REVENUE BONDS, SERIES 2021; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; DELEGATING TO CERTAIN OFFICERS OF THE ISSUER THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; PROVIDING FOR A PUBLIC HEARING AND THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING AND APPROVING THE EXECUTION OF A GENERAL INDENTURE AND SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the County Council (the “Council”) of Summit County, Utah (the “Issuer”) desires to (a) finance the acquisition, construction and equipping of recreational projects and all related improvements within the Issuer (the “Project”), (b) fund a debt service reserve fund, if necessary, and (c) pay costs of issuance with respect to the Bonds herein described; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Special Obligation Sales Tax Revenue Bonds, Series 2021 (the “Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer), pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, (the “Act”), (b) this Resolution, and (c) a General Indenture of Trust and a Supplemental Indenture of Trust (collectively, the “Indenture”), in substantially the form presented to the meeting at which this Resolution was adopted and which is attached hereto as Exhibit B; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must (a) give notice of its intent to issue such bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the bonds and (ii) the potential economic impact that the improvement, facility or property for which the bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, there has been presented to the Council at this meeting a form of a bond purchase agreement (the “Bond Purchase Agreement”) to be entered into between the Issuer and the purchaser selected by the Issuer for the Bonds (the “Purchaser”), in substantially the form attached hereto as Exhibit C; and

WHEREAS, in order to allow the Issuer (with the consultation and approval of the Issuer’s Municipal Advisor, Zions Bank Public Finance (the “Municipal Advisor”)) flexibility in setting the pricing date of the Bonds to optimize debt service costs to the Issuer, the Council desires to grant to the Chair or Vice Chair and the County Manager (the “Designated Officers”) of the Issuer the authority to approve the purchaser, final interest rates, principal amounts, terms, maturities, redemption features, purchase price at which the Bonds shall be sold, any other related financial terms or covenants, and to set forth the final terms of the Bonds, and any changes with respect thereto from those terms which were before the Council at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the “Parameters”).

NOW, THEREFORE, it is hereby resolved by the County Council of Summit County, Utah, as follows:

Section 1. For the purpose of (a) financing the Project, (b) funding a deposit to a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Bonds, the Issuer hereby authorizes the issuance of the Bonds which shall be designated “Summit County, Utah Limited Obligation Sales Tax Revenue Bonds, Series 2021” (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer) in the initial aggregate principal amount of not to exceed \$8,800,000. The Bonds shall mature in not more than eleven (11) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, shall bear interest at a rate or rates not to exceed four percent (4.0%) per annum, as shall be approved by any two of the Designated Officers, all within the Parameters set forth herein. The issuance of the Bonds shall be subject to the final approval of Bond Counsel and to the approval of the County Attorney for the Issuer.

Section 2. The final interest rate or rates for the Bonds shall be set by the Designated Officers, in consultation with the Municipal Advisor, at the rate or rates which, taking into account the purchase price offered by the Purchaser of the Bonds, will in the opinion of the Designated Officers and the Municipal Advisor result in the lowest cost of funding reasonably achievable given the manner of offering the Bonds at the time of the sale of the Bonds and evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 3. The Indenture and the Bond Purchase Agreement in substantially the forms presented to this meeting and attached hereto as Exhibits B and C, respectively, are hereby authorized, approved, and confirmed. The Chair or Vice Chair and County Clerk or authorized deputy are hereby authorized to execute and deliver the Indenture and

the Bond Purchase Agreement in substantially the forms and with substantially the content as the forms presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers, in consultation with the Municipal Advisor, within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 5 hereof. The Designated Officers are each hereby authorized to select the Purchaser and to specify and agree as to the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Bonds for and on behalf of the Issuer, provided that such terms are within the Parameters set by this Resolution. The execution and delivery of the Bond Purchase Agreement by the Chair or Vice Chair shall evidence the Designated Officers approval.

Section 4. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Bonds, the Bond Purchase Agreement or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Bonds (within the Parameters set by this Resolution), to remove the same, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States.

Section 5. The form, terms, and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Chair or Vice Chair and County Clerk or authorized deputy are hereby authorized and directed to execute and seal the Bonds and to deliver said Bonds to the Trustee for authentication. The signatures of the Chair or Vice Chair and the County Clerk or authorized deputy may be by facsimile or manual execution.

Section 6. The Designated Officers or other appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Trustee the written order of the Issuer for authentication and delivery of the Bonds in accordance with the provisions of the Indenture.

Section 7. Upon their issuance, the Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Bonds and the Indenture. No provision of this Resolution, the Indenture, the Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 8. The Designated Officers or other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers (including, but not limited to, tax policies related to the issuance of tax exempt debt) and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 9. After the Bonds are delivered by the Trustee to the Purchaser, and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 10. The Issuer shall hold a public hearing on May 26, 2021, to receive input from the public with respect to (a) the issuance of the Bonds, and (b) the potential economic impact that the improvements to be financed with the proceeds of the Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is first published (i) once a week for two consecutive weeks in the Park Record, a newspaper of general circulation in the Issuer, (ii) on the Utah Public Notice Website created under Section 63F-1-701 Utah Code Annotated 1953, as amended, and (iii) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended. The County Clerk shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Summit County offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof. The Issuer directs its officers and staff to publish a “Notice of Public Hearing and Bonds to be Issued” in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, (the “Act”), that on May 5, 2021, the County Council (the “Council”) of Summit County, Utah (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Special Obligation Sales Tax Revenue Bonds, Series 2021 (the “Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer) and called a public hearing to receive input from the public with respect to (a) the issuance of the Bonds and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Bonds may have on the private sector.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on May 26, 2021, at the hour of _____ p.m. by an electronic meeting without a physical location on Wednesday, May 5, 2021, at the hour of _____ p.m in accordance with Utah Code Section 52-4-207(4). Members of the public are invited and encouraged to view and participate in the Council's electronic meetings. To view Council meeting, live, visit the “Summit County, Utah” Facebook page at 2:50 p.m. OR to participate in Council meeting: Join Zoom webinar: <https://zoom.us/j/772302472> OR To listen by phone only: Dial 1-301-715-8592, Webinar ID: 772 302 472.. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Bonds and (b) any potential economic impact that the Project to be financed with the proceeds of the Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE BONDS

The Bonds will be issued for the purpose of (a) financing the acquisition, construction, and equipping of recreational projects and improvements throughout Summit County (the “Project”), (b) funding any required debt service reserve fund, and (c) paying costs of issuance of the Bonds.

PARAMETERS OF THE BONDS

The Issuer intends to issue the Bonds, in the aggregate principal amount of not more than Eight Million Eight Hundred Thousand Dollars (\$8,800,000), to mature in not more than eleven (11) years from their date or dates, to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, and bearing interest at a rate or rates not to exceed four percent (4.0%) per annum. The Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a General Indenture of Trust and a Supplemental Indenture of Trust (together, the “Indenture”), which Indenture was before the Council and attached to the Resolution in substantially final form at the time of the adoption of the Resolution and said Indenture is to be executed by the Council in such form and with such changes thereto as shall be approved by the Chair, the Vice Chair and the County Manager; provided that the principal amount, interest

Interim County Clerk

Section 11. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Project. The Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Bonds which will be issued to finance the reimbursed costs of the Project is not expected to exceed \$8,800,000.

Section 12. The Issuer hereby reserves the right to opt not to issue the Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing with respect to (a) the issuance of the Bonds and (b) any potential economic impact that the Project to be financed with the proceeds of the Bonds may have on the private sector.

Section 13. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this May 5, 2021.

(SEAL)

By: _____
Chair

ATTEST:

By: _____
County Clerk

(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the Agenda, the meeting was adjourned.

(SEAL)

By: _____
Chair

ATTEST:

By: _____
County Clerk

STATE OF UTAH)
 : ss.
COUNTY OF SUMMIT)

I, Kelly Robinson, the duly appointed and qualified Interim County Clerk of Summit County, Utah (the "County"), do hereby certify according to the records of the County Council of the County (the "County Council") in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the County Council held on May 5, 2021, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on May 5, 2021, and pursuant to the Resolution, there was published a Notice of Public Hearing and Bonds to be Issued no less than fourteen (14) days before the public hearing date: (a) one time each week for two consecutive weeks in the Park Record, a newspaper having general circulation within the County, the affidavit of which publication will be attached upon availability, (b) on the Utah Public Notice Website created under Section 63F-1-701 Utah Code Annotated 1953, as amended and (c) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said County, this May 5, 2021.

(SEAL)

By: _____
Interim County Clerk

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Kelly Robinson, the undersigned Interim County Clerk of Summit County, Utah (the "County"), do hereby certify, according to the records of the County in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the May 5, 2021, public meeting held by the County Council of the County (the "County Council") as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the principal offices of the County on May ___, 2021, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to the Park Record on May ___, 2021, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2021 Annual Meeting Schedule for the County Council (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the County Council to be held during the year, by causing said Notice to be (a) posted on _____, 2021 at the principal office of the County Council, (b) provided to at least one newspaper of general circulation within the County on _____, 2021 and (c) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this May 5, 2021.

(SEAL)

By: _____
Interim County Clerk

SCHEDULE 1
NOTICE OF MEETING

SCHEDULE 2
ANNUAL MEETING SCHEDULE

(attach Proof of Publication of
Notice of Bonds to be Issued)

EXHIBIT B

FORM GENERAL INDENTURE AND
SUPPLEMENTAL INDENTURE

(See Transcript Document Nos. __ and __)

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No. __)

1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
April							May							June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3							1			1	2	3	4	5
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

Day	Date	Event	Responsibility
Tuesday	April 13	County Manager indicates preliminary approval to bring financing to the Council.	CM
Wednesday	April 21	Bond Counsel distributes draft Parameters Resolution to the working group.	BC
Thursday	April 29	County CFO receives Resolution, Calendar of Events, and draft debt service numbers for Council packet.	BC, MA
Monday	May 3	Parameters Resolution is placed on County Council Agenda for the Regular County Council Meeting.	BC, CM
Wednesday	May 5	Regular County Council meeting to adopt Authorizing Resolution.	CC
Thursday	May 6	Request for Bids sent out to investment community.	MA
Thursday	May 6	"Notice of Bonds to be Issued" and "Notice of Public Hearing" is sent to the Utah Public Meeting Notice Website.	AU, MA
Thursday	May 6	"Notice of Bonds to be Issued" and "Notice of Public Hearing" is delivered to <i>The Park Record</i> for publication.	BC, CM
Saturday	May 8	Publication of "Notice of Bonds to be Issued" and "Notice of Public Hearing" in <i>The Park Record</i> . (Begin 30-day contest period).	N
Thursday	May 20	Request for Bids due (3:00 pm to the MA).	P, MA
Friday	May 21	Meeting to review bid results and select winning bidder.	MA, CFO, CM
Wednesday	May 26	Public Hearing as part of regular County Council meeting.	
Wednesday	May 26	Distribution of closing documents.	BC
Tuesday	June 8	End of 30-day contest period.	ALL
Wednesday	June 9	Closing: Delivery of funds (By conference call, 9:30 AM MDT)	ALL

LEGEND

BC	Bond Counsel.....	Gilmore & Bell
CC	County Council.....	Summit County Council
CFO	Chief Financial Officer.....	Matt Leavitt
CM	County Manager.....	Tom Fisher
MA	Municipal Advisor.....	Zions Public Finance
N	Official Newspaper.....	<i>The Park Record</i>
P	Purchaser.....	TBD

*Preliminary; subject to change