

STAFF REPORT

TO: Summit County Council
FROM: Janna Young, Deputy County Manager
Matt Leavitt, Summit County Financial Officer
DATE: September 22, 2021
SUBJECT: Public Meeting and Public Hearing on Open Space
General Obligation Bond



BACKGROUND

Summit County has a long history in environmental stewardship, water source protection, and active land use management, placing a high value and emphasis on the preservation of land, water, and air to protect the values that residents share about living in Summit County. As such, the County Council has acted, either with partners, like the local land conservancies, cities, Snyderville Basin Special Recreation District, or on their own to preserve strategic parcels of land either through open space or conservation easement acquisitions across the County.

For the past several years, the County Council has expressed an interest in finding a way to advance this objective more effectively, particularly countywide. Much of their open space work has been focused in the Snyderville Basin and the Council is now shifting that focus to the farms and ranches in eastern Summit County, which are experiencing growth pressures. Additionally, the only fund for the preservation of agricultural land and open space within eastern Summit County, which is managed by the Eastern Summit County Agricultural Preservation Advisory Board (ESAP), is drying up.

One of the tools the Council is considering is issuing a general obligation (GO) bond, which requires voter approval.

Bonding for open space is not a new concept in Summit County, specifically in the Snyderville Basin and Park City area. In 2014, voters approved a \$25 million bond for open space, recreation, and trails in the Snyderville Basin, which led to the creation of the Basin Open Space Advisory Council (BOSAC) to manage the revenue from this bond measure. More recently, in 2017, Park City voters approved a \$25 million bond to purchase Bonanza Flat, and in 2018, approved another \$48 million bond for the Treasure land acquisition, which included \$3 million for a conservation deal in Thanos Canyon, known as Snow Ranch Pasture.

A general obligation bond is the only financing tool that can be applied to open space countywide, and it can only be considered on a general election ballot. In this sense, it is a flexible financing tool that can apply to myriad projects in different locations throughout the County. These bond funds can also be combined with private, state, and federal conservation funds to leverage and stretch the local bond funds for larger acquisition possibilities, particularly in Summit County's expensive real estate market.

At the August 11, 2021 Council meeting, County Staff had a discussion with Council about the possibility of a countywide GO bond for open space and conservation project purchases, what it would entail to issue a GO bond, and how it would look. At the end of that discussion, the Council directed Staff to bring forward a parameters resolution for the Council to consider and possibly adopt for the November ballot, indicating the time was right to consider such a measure due to favorable interest rates, the County's excellent bond rating, and a general election occurring this fall.

On August 18, 2021, the Summit County Council adopted a parameters resolution that officially put a GO bond on the ballot for the election this November. By adopting this resolution, the Council also triggered several actions that must occur within certain timeframes prior to the bond election, such as a public meeting on the measure and a public hearing to take public comment on the bond resolution and ballot question scheduled for September 22 in Coalville. The Council also opted to hold an additional public comment period in the Snyderville Basin on September 29, 2021.

GO Bond Details:

The parameters resolution the Council adopted on August 18 allows the GO bond, if approved by voters, to finance all or a portion of the costs of the acquisition of passive and active open space, conservation easements, and constructing recreational amenities and environmental and wildlife mitigation measures and related improvements. The focus of the bond is land acquisition, but the parameters resolution identified these other eligible expenditures as common infrastructure that accompanies open space acquisitions for the facilitation of trails, recreation, and wildlife protection, and the County wants to have the ability to finance them.

The parameters resolution also set the maximum limit of the GO bond at \$50 million. If approved by voters, the County Council could issue a bond less than or up to \$50 million. Most likely it would be a 20-year bond.

To put in perspective for what it would cost per household in Summit County, the financial impact of a countywide \$50 million bond on a primary residency with a market value of \$685,000 is estimated at \$45-\$50/year based on current information. This amount could change based on interest rates and market performance between now and when the bond, if approved by voters, is issued. This amount could also change each year based on new growth in the County and fluctuations in home values.

ACTIONS AND TIMELINES

In order to issue a general obligation bond, Utah State Code requires certain action steps. The steps and timeline are as follows:

- A bond resolution must be delivered to the Lieutenant Governor at least 75 days before the bond election date. For 2021 this was August 19. The Council adopted the resolution on August 18 and the County Clerk sent it to the Lt Governor before the deadline.
- Issue the Notice of Public Hearing by September 8, 2021.
- The County Council must hold a public hearing at least two weeks after a Notice of Public Hearing is published, but no sooner than 30 days or later than 5 days of the publication of the

Notice of Election. The parameters resolution adopted on August 18th set the public hearing for September 22, 2021.

- A Notice of Election must be published between 21 and 35 days before the Bond Election, which is between September 28 and October 12, 2021.
- A voter information pamphlet must be mailed and made available to Summit County voters 30 to 45 consecutive days before the Bond Election, which is between September 17 and October 18, 2021.
- By October 3, pro and con arguments must be posted on the County website along with a notice of any other public meetings on the GO bond.
- Conduct a County-wide Bond Election on November 2, 2021.
- The County Council performs the canvas, certifying the election results on November 16, 2021.

REQUESTED COUNCIL ACTION

No Council action is requested today unless the Council decides not to move forward with the bond election after the public hearing, which would require a motion and vote by the Council.