



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY
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TO: City Council Members
FROM: Ben Luedtke, Budget & Public Policy Analyst
DATE: April 11, 2023
RE: **First Issuance of General Obligation Bond for Parks, Trails, and Open Space**

Project Timeline:

1st Briefing: April 11, 2023
2nd Briefing: TBD

Note: future steps would include briefings, vote to approve a bond parameters resolution, budget amendment public hearings and votes for final approval to use bond proceeds

ISSUE AT-A-GLANCE

The Administration is proposing to spend \$24.66 million on the first issuance of the Parks, Trails, and Open Space General Obligation (GO) Bond. This would be 29% of the \$85 million total that voters authorized last November. The remaining \$60.34 million is expected to be split into two or three later bond issuances. The bond issuance will be paid back over 20 years from a separate property tax limited to repaying the bond debt. The property tax is automatically eliminated when the bond debt is paid off, so property taxes go back down.

The Public Lands Department is requesting the Council consider approval (such as a straw poll) of the proposed projects schedule shown in the table below. The Council has authority to modify the proposed projects within the voter-approved uses, scope of the project, and dollar amounts going to a project. Once the Council approves the project schedule, the Finance Department would then provide a transmittal and bond parameters resolution for the Council to approve which authorizes the sale of the first bond issuance. The bond proceeds from the sale would then need to receive final approval from the Council in a budget amendment, after noticing and holding a public hearing, to accept the revenues and make appropriations for the individual expenses. The process from the first briefing to final approval in a budget opening will likely take several months and unexpected economic or financial events could impact timing. *Note that amounts and timing for future issuances would depend on new proposals by the Administration, which may adjust based on future cost information, public feedback, and/or change in policy direction. Voters approved language that does not bind future issuances to specific parks/projects. The Council has final approval for any future issuances, and it is in the interest of the City to align with what was provided in the voter information pamphlet.*

Goal of the briefing: *Review and provide feedback about the proposed project schedule, dollar amounts, and expenses, and consider approval to move forward with the first bond issuance.*

Proposed Projects in First Bond Issuance

The table below provides an overview of the proposed projects, expenses, and funding for the first bond issuance. Note that some projects would be fully funded in the first issuance and others have proposed funding that would be limited to initial public engagement and planning. For example, the Glendale Park project would fully fund construction of Phase 1 and design of Phase 2 using \$9 million. The project is also subject to an April 2024 federal deadline and has over \$7.5 million of parks impact fees available from prior Council appropriations. The Public Lands Department plans to conduct community engagement for all projects. When a master plan does not exist for a location, then public feedback will inform specific amenities for the sites.

Overview of Proposed Parks, Trails, and Open Space General Obligation Bond First Issuance

Project <i>(Expense)</i>	First Issuance		Notes
	\$	%	
<p align="center">Glendale Park</p> <p align="center"><i>(construction of Phase 1 and design of Phase 2)</i></p>	\$ 9,000,000	33%	<p>April 2024 Federal deadline to restore some active recreation at the site</p> <p>The Council previously approved over \$7.5 million from parks impact fees to create this new park in FY2022 CIP and FY2023 Budget Amendment #4</p> <p>Voter education materials identified a proposed bond funding amount of \$27 million</p>
<p align="center">Liberty Park Playground Replacement</p> <p align="center"><i>(design and construction to replace the Rotary Playground in the Northwest corner of the park)</i></p>	\$ 2,000,000	100%	<p>Planned to be an all ages and abilities playground</p> <p>Project would need approval from the Historic Landmark Commission</p> <p>Voter education materials identified a proposed bond funding amount of \$2 million</p>
<p align="center">Allen Park</p> <p align="center"><i>(landscaping, water and sewer utilities, designs for TBD projects from the Adaptive Reuse & Management Plan)</i></p>	\$ 850,000	19%	<p>A Cultural Landscape Report was completed for Allen Park</p> <p>The Adaptive Reuse & Management Plan is in development, will include project recommendations, and is expected to be completed in 2024</p> <p>The park is currently zoned RMF-30 and needs to be rezoned</p> <p>Voter education materials identified a proposed bond funding amount of \$4.5 million</p>
<p align="center">Folsom Trail Completion</p> <p align="center"><i>(landscaping, irrigation, trail user amenities, potential property acquisition, completion of gap between 1000 West and the Jordan River)</i></p>	\$ 5,000,000	100%	<p>The Council previously approved funding in FY2022 CIP for design of the trail gap between 1000 West and the Jordan River / Fisher Mansion</p> <p>Voter education materials identified a proposed bond funding amount of \$5 million</p>

Project (Expense)	First Issuance		Notes
	\$	%	
<p>Fleet Block Green Space</p> <p><i>(construction level designs for TBD green space possibly a park or plaza)</i></p>	\$ 600,000	10%	<p>Green space is estimated to be 3 acres in size which a third of the property Environmental contamination clean up might be needed Project will need to be coordinated with the rezone to FB-UN3 and development of an RFP The Council previously approved \$100,000 in the FY2023 annual budget one-time for public engagement on this project</p> <p>Voter education materials identified a proposed bond funding amount of \$6 million</p>
<p>Fairmont Park</p> <p><i>(public engagement, refining development concepts and designs)</i></p>	\$ 500,000	10%	<p>Would build upon public engagement conducted in 2018-2019 focused on tennis courts and the adjacent Boys & Girls Club facilities</p> <p>Voter education materials identified a proposed bond funding amount of \$5 million</p>
<p>Neighborhood Parks, Trails, or Open Spaces with at least One per Council District</p> <p><i>(public engagement for all selected sites, designs for sites to be constructed with funds from the second bond issuance, specific improvements are TBD based on public feedback)</i></p>	\$ 1,050,000	10%	<p>Selected Sites by Council District: <u>One:</u> Cottonwood Park, Steenblik Park <u>Two:</u> Madsen Park, Peace Labyrinth, and possibly International Peace Gardens <u>Three:</u> Warm Springs Park & North Gateway Parks (to be combined) and possibly the Freedom Trail <u>Four:</u> Taufer Park, Richmond Park <u>Five:</u> Jefferson Park, Ida Cotten Park <u>Six:</u> Donner Trail Park, Sunnyside Park <u>Seven:</u> McClelland Trail south of Sugarmont Ave & S-Line Streetcar</p> <p>Voter education materials identified a proposed bond funding amount of \$10.5 million</p>

Project (Expense)	First Issuance		Notes
	\$	%	
<p>Jordan River Corridor Improvements</p> <p><i>(enhance and complete the bridge to Backman Elementary open space and outdoor classroom project, designs for TBD projects from the Emerald Ribbon Master Plan)</i></p>	\$ 600,000	7%	<p>This funding is expected to be split between Council Districts One and Two. The Emerald Ribbon Master Plan is in development, will include project recommendations, and is expected to be completed in 2024.</p> <p>Voter education materials identified a proposed bond funding amount of \$9 million.</p>
<p>Contingency, Cost Overrun, Consultants and Engineering Fees</p>	\$ 3,332,000		<p>Flexible funding between the four expense categories available to any of the bond funded projects in this table.</p>
<p>1.5% for Public Art</p>	\$ 294,000		<p>Calculated as 1.5% of the project funding requested in the first issuance of the bond (excluding contingency and staff costs).</p>
<p>Senior Project Manager in Engineering, and Two Planners in Public Lands</p>	\$ 1,434,000	32%	<p>The General Fund fronted the costs for the three positions in FY2023 to allow faster hiring.</p> <p>The Senior Project Manager is vacant, and the two Planner positions are filled.</p> <p>The costs include estimated general pay / cost of living adjustments.</p>
<p>TOTALS</p>	\$ 24,660,000	29%	<p>Two or three more bond issuances are expected to use the remaining funds.</p>

POLICY QUESTIONS

1. How to Sequence Neighborhood Parks between Council Districts – The Council may wish to discuss and provide directions to the Administration for how to sequence the anticipated 14 neighborhood parks with at least one per Council District.
2. Prioritizing and Sharing Contingency and Cost Overrun Bond Funds – The Council may wish to discuss with the Administration how the \$3.3 million for contingency in the first issuance would be prioritized and divided between the projects? The funding is intentionally flexible and available to all projects. The Council could delegate authority for the Public Lands Department to determine use of the funds between projects or the Council could provide policy guidance such as geographic equity considerations, reporting, or a formula like the CIP Cost Overrun Account.
3. Combining Parks into a Larger Single Park – The Council may wish to discuss whether to support combining the two parks on either side of the historic Warm Springs Historic Plunge building. Note that the natural spring is actually located within the North Gateway Park despite being the inspiration for the name Warm Springs Park and the building. This may include a lot line or subdivision adjustment and ordinance amendment to officially change the name and combine the two into a single Warm Springs Park. Public Lands is proposing a similar approach to combine the proposed Glendale Regional Park (former water park) and the Glendale Neighborhood Park into a new Glendale Park.
4. Fleet Block Park Space – The transmittal mentions the potential for using some bond funds for “non-park” plaza space on the Fleet Block. In previous discussions the Council has expressed a strong preference that the site should contain true park space, especially since that neighborhood has one of the lowest levels of access to public lands. The Council may wish to add a requirement that these funds only be spent on park space (with some ancillary uses), if that is still the Council’s intent.
5. Emerald Ribbon Master Plan to Guide \$9 Million of Jordan River Corridor Improvements – The Council may wish to ask for a timeline on this master plan and when an early check in briefing could be scheduled to provide legislative policy feedback.
6. Adaptive Reuse & Management Plan for Allen Park to Guide \$4.5 Million of Improvements – The Council may wish to ask for a timeline on this plan, whether the Council is expected to adopt it, and when an early check in briefing could be scheduled to provide legislative policy feedback. The Council may also wish to ask whether the plan will include feasibility and prioritization of which structures to stabilize. There are 26 buildings and structures in Allen Park. Stabilizing and reusing all 26 would greatly exceed the available bond funding.

ADDITIONAL & BACKGROUND INFORMATION

Time Considerations for GO Bond

The following is a quick reference list of important timing considerations the Council should be aware of:

- GO bonds must be issued within 10 years of voter authorization. For this bond that would be October 2032.
- GO bond funds should be spent within less than five years preferably within three years after issuance to avoid loss of purchasing power
- The second issuance of the bond could be as soon as 2024. Specific funding proposals will depend on which projects are shovel ready.

Voter Approved Ballot Language (*governs authorized uses of the bond funds*)

“Shall Salt Lake City, Utah, be authorized to issue General Obligation Bonds in a principal amount not to exceed \$85,000,000 and to mature in no more than 21 years from the date or dates of issuance; such bonds will be issued in accordance with Utah law solely to pay all or a portion of the costs to acquire, improve, renovate and upgrade various parks, trails, open space and related facilities and recreational amenities?”

ACRONYMS

CIP – Capital Improvement Program

FY – Fiscal Year

GO – General Obligation Bond

TBD – To Be Determined