

REQUEST FOR BOARD ACTION

Subject: Public hearing on the proposed issuance and sale of Municipal Building Authority lease revenue bonds of the City of West Jordan.

Discussion: The parameters resolution, prepared by Ballard Spahr LLP, authorizing the issuance and sale of up to \$25,000,000 of Municipal Building Authority lease revenue bonds was passed on Aug. 24, 2016 so we can begin the bond process. These bonds would be issued so that the City can finance the costs associated with the construction of a Public Works building. The Municipal Building Authority Board along with staff, discussed the possibility of issuing these bonds in early 2016.

Fiscal Impact: The City will sell approximately \$25,000,000 worth of Municipal Building Authority lease revenue bonds. The bonds will be paid back with proceeds from annual lease payments from the City to the Building Authority over the next 22 years. The exact fiscal impact will not be known until the bonds are issued.

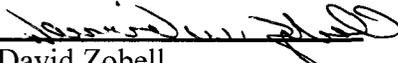
Attachments:

Recommendation: Receive input from the public with respect to the issuance and sale of the City's Municipal Building Authority lease revenue bonds for the purpose of financing the improvements and construction of a City Public Works facility and, paying the costs of issuance of the Series 2016 Bonds.

Motion Recommended:

Roll Call Vote Required

Prepared by:


David Zobell
City Treasurer

Reviewed and Concurred by:


Bill Poyer
Interim Finance Director CFO

Approved by:


David Brickey
City Attorney

Recommended by:


Mark R. Palesh
City Manager



NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

PUBLIC NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Municipal Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code, as amended (collectively, the "Act"), that on August 24, 2016, the Governing Board (the "Governing Board") of the Municipal Building Authority of the City of West Jordan, Utah (the "Authority") adopted a resolution (the "Resolution") declaring its intention to issue its Lease Revenue Bonds, Series 2016 (the "Bonds"), and calling a public hearing to receive input from the public with respect to the issuance of the Bonds.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Authority shall hold a public hearing on September 21, 2016, at the hour of 6:00 p.m. The location of the public hearing is at the City offices of West Jordan, Utah (the "City") located at 8000 South Redwood Road, West Jordan, Utah. The purpose of the hearing is to receive input from the public with respect to: (a) the proposed Bonds, and (b) any potential economic impact that the improvements, facility or property financed in whole or in part 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 BONDS

The Authority intends to issue the Bonds to provide funds to (a) finance a new public works facility and related improvements for lease to the City, (the "Series 2016 Project"), (b) fund any required debt service reserve fund, and (c) pay costs associated with the issuance of the Bonds.

PARAMETERS OF THE BONDS

The Authority intends to issue the Bonds in the principal amount of not to exceed Twenty-Five Million Dollars (\$25,000,000), to bear interest at a rate or rates of not to exceed five and one-half percent (5.50%) per annum, to mature in not more than twenty-two (22) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof.

The Bonds are to be issued and sold by the Authority pursuant to the Resolution, including as attachments to said Resolution a form of a General Indenture of Trust and a Supplemental Indenture of Trust (collectively, the "Indenture") and a form of a Master Lease Agreement (the "Lease"), which were before the Governing Board at the time of the adoption of the Resolution. The Indenture and the Lease are to be executed by the Authority and/or the City with such terms and provisions and any changes thereto as authorized by the Resolution

SECURITY FOR THE BONDS

The Bonds are payable solely from the rents, revenues and other income received by the Authority from the leasing of the Series 2016 Project to the City on an annually renewable basis (the "Lease Revenues").

OUTSTANDING BONDS SECURED BY LEASE REVENUES

The Authority currently has no other bonds outstanding secured by Lease Revenues.

