



SANDY CITY ADMINISTRATION

MONICA ZOLTANSKI
MAYOR

SHANE E. PACE
CHIEF ADMINISTRATIVE OFFICER

To: City Council
From: Shane Pace, CAO
Date: August 5, 2022
Subject: 18 Month Capital Facilities Plan

The City has discussed what to do with its aging infrastructure for several years. A couple of weeks ago, the City Council came to several conclusions that will help move forward the reconstruction of these facilities. In addition, other discussions have occurred to further narrow the priorities which I believe are:

- The three main facilities to prioritize are the Alta Canyon Recreation Center, Fire Station 31, and the Public Works Facility.
- Finalize a new location for the fire station and design it.
- Move forward with phase two of Public Works which includes the fleet shop and moving the sign shop.
- Finalize an option for the Alta Canyon Recreation Center and design it.

Council Chair Robinson also asked the Administration to come back with a proposal for consideration about the next 18 months. The following document is a proposed plan of action for the next 18 months and beyond. Hopefully this will further focus the priorities for all three facilities and allow them to move forward to their completion.

18 MONTH PLAN OF ACTION

FIRE STATION 31

Complete a concept plan including recommendations for the best location.	<i>Months 1-2</i>
Purchase property for the station.	<i><u>Months 3-6</u></i>
Complete full design of the station.	<i>Months 5-13</i>
Bid out construction of station	<i>Months 14-15</i>
Begin construction of the station.	<i>Months 16-beyond</i>

PUBLIC WORKS FACILITY

Bid out phase two of the project which includes the fleet shops and moving the sign shop.	<i>Months 1-3</i>
Begin construction of phase two.	<i>Months 4-15</i>
Value engineer phase three of the project to consider lower cost options if possible.	<i>2 months</i> to run consecutive with phase two.
Save for phase three.	<i>months 16-Beyond</i>

ALTA CANYON SPORTS CENTER

Decide on one of four options or variable of the four options.	<i>Month 2</i>
Complete full design of the center.	<i>Months 3-13</i>
Bid out construction of the center.	<i>Months 14-15</i>
Begin construction of the new and/or remodeled center.	<i>Months 16-Beyond</i>

FINANCING OPTIONS TO CONSIDER FOR 18 MONTH PLAN OF ACTION

This plan sets a cost limit on projects as follows:

- Alta Canyon: \$35 million
- Public Works: \$20 million (\$7M for fleet and sign shop relocation - Phase Two)
- Fire Station: \$12 million
- Total: \$67 million

OPTION 1

1. Follow 18-month plan as outlined above.
2. Consider two proposals for financing: General Obligation Bond or Special Revenue Fund with a new tax rate for a defined special revenue fund purpose (parks and recreation, or public safety).

[an additional option would be to raise the current, general tax rate to cover the bond payments and operations shortfall at AC]

3. If decision is a General Obligation Bond, propose a \$47 million bond (22.5 % tax increase) starting in January of 2023 for a November vote.
4. If decision is a special revenue Fund, propose a specific tax levy in the 2023-2024 budget. In the case of a parks and recreation specific tax levy, if Alta Canyon option B is the selected option (\$35 million), this levy would generate \$2.5 million annually for debt service and \$500,000 for operations and would be a 21.2% property tax increase. In the case of a public safety specific tax levy, this rate would be offset by a rate decrease to the general tax levy, but still generate sufficient revenue to cover the bond payment and operations shortfall at Alta Canyon Sports Center and make the bond payment on the fire station.
5. The balance of the \$20 million fund balance (\$12 million) could then be used for the construction of the Fire Station. \$20 million fund balance
6. The City would need to save up for phase three of the Public Works facility over multiple years after any possible value engineering is completed.

OPTION 2 (Beyond the 18-month timeline)

1. Consider two proposals for financing: General Obligation Bond or Special Revenue Fund for either Alta Canyon Recreation Fund, the Recreation Fund, or a Public Safety Special Revenue Fund.
2. If decision is a General Obligation Bond, propose a \$27 million bond starting in January of 2023 for a November vote.
3. If decision is a Special Revenue Fund, propose a specific tax levy in the 2023-2024 budget. If option B is the selected option (\$15 million), this levy would generate \$850,000 million annually for debt service and \$500,000 for operations and would be a 11.5% property tax increase.
4. Issue a bond based on the new Special Revenue Bond for \$15 million that could go towards Alta Canyon Recreation Center.
5. In April of 2025, apply for Zap Funding in the amount of \$20 million for the renovation and upgrade of the Alta Canyon Recreation Center
6. The balance of the \$20 million fund balance (\$12 million) could then be used for the construction of the Fire Station.
7. The City would need to save up for phase three of the Public Works facility over multiple years after any possible value engineering is completed.

RESOLUTION #22-43 C

A RESOLUTION INCREASING TOTAL APPROPRIATIONS
WITHIN THE GOVERNMENTAL FUNDS FOR THE FISCAL YEAR
COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023.

BE IT RESOLVED by the City Council of Sandy City, State of Utah, that the amounts described in the Exhibits A-C be adjusted as outlined. These adjustments are made pursuant to the provisions of Sections 10-6-127 and 10-6-128 U.C.A. as amended, and are done with the provision that no appropriation for debt retirement and interest, reduction of deficit or other appropriation required by law or ordinance is reduced by this resolution.

PASSED AND APPROVED THIS _____ day of _____, 2022.

Zach Robinson, Chair
Sandy City Council

ATTEST:

Wendy Downs
City Recorder

RECORDED this _____ day of _____, 2022.

EXHIBIT A - General Capital Projects (Alta Canyon Architectural Design)

Sources:

Fund Balance (Carryover)	\$ 2,516,250
Capital Projects Contingency	483,750
Total Sources	<u>\$ 3,000,000</u>

Uses:

Alta Canyon Sports Center Improvements	\$ 3,000,000
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RESOLUTION #22-13 C

EXHIBIT B - General Capital Projects (Public Works Phase 2 Construction)

Sources:

Capital Projects Contingency	\$ 7,000,000
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Uses:

Public Works Facility Rebuild	\$ 7,000,000
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EXHIBIT C - Fire Impact Fees (Fire Station 31 Architectural Design)

Sources:

Fund Balance (Carryover)	\$ 1,000,000
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Uses:

Fire Station 31 Expansion/Relocation	\$ 1,000,000
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