

Midway City Council
2 October 2018
Regular Meeting

Issuance of
General Obligation Bonds /
Public Meeting



Memo

Date: 29 September 2018
To: Mayor, City Council and Staff
Cc: File
From: Brad Wilson, City Recorder/Financial Officer
RE: Public Meeting Regarding the Issuance of Bonds

State law requires that an entity, requesting to issue general obligation bonds, hold a public meeting regarding the request. This meeting is different from the public hearing held by the City Council on September 18th.

Bond Counsel recommended that I begin the agenda item by reading the arguments and rebuttals for and against the bond (Attached). The Council and the public may then comment on the arguments, rebuttals and the issuance of bonds.

Please contact me if you have any questions.

MIDWAY CITY SPECIAL BOND ELECTION

PROPOSAL

Shall Midway City, Utah (the “City”), be authorized to issue General Obligation Bonds in an amount not to exceed Five Million Dollars (\$5,000,000) (the “Bonds”) for the purpose of partnering with willing landowners, private organizations, land preservation foundations, governmental agencies and private donors, all at the discretion of the City Council, to pay all or a portion of the costs to preserve open space (as open space is defined and is consistent with the Midway City General Plan and as permitted by the laws of the State of Utah) and related improvements, within the proposed annexation boundaries of the City as established in the land use map of the City dated December 13, 2017, including but not limited to acquisition of land, development rights, conservation easements, maintenance of use agreements, or related start-up expenses; said Bonds to be due and payable in not to exceed twenty-one (21) years from the date of issuance of the Bonds?

Property Tax Cost of Bonds: If the Bonds are issued all at once an annual property tax to pay debt service on the Bonds will be required over a period of twenty-one (21) years in the estimated amount of \$110.76 per year on a \$440,000 residence and in the estimated amount of \$201.39 per year on a business property having the same value.

The foregoing information is only an estimate and is not a limit on the amount of taxes that the City may be required to levy in order to pay debt service on the Bonds. The City is obligated to levy taxes to the extent provided by law in order to pay the Bonds. The amounts are based on various assumptions and estimates, including estimated debt service on the Bonds and current taxable values of property in the City.

A public meeting will be held on **Tuesday, October 2nd, 6:00 p.m. at the Midway Community Center** (160 West Main Street, Midway, Utah). The following arguments for and against the issuance of the bonds will be presented and interested parties may comment:

ARGUMENT IN FAVOR

A VOTE FOR THE BOND IS A VOTE TO PRESERVE MIDWAY’S RURAL HERITAGE

Vote yes FOR the Midway Special Bond because you care about the next generation. Vote FOR your quality of life. Vote FOR the history of our farming way of life and the landowners that have for generations kept these pastures open. If you live in Midway for pastures and not pavement, then vote FOR the bond. The next generation of Midway residents, your children’s children, will inherit the vision of this decision so the choice is up to you. Will it be continuing dense developments or will we exercise the foresight to preserve the rapidly disappearing rural heritage of Midway? If your family founded the valley and you want future generations to understand the beauty, hard work, and sacrifice they made by preserving a piece of their heritage, then vote FOR the bond.

The Midway Special Bond will protect Midway's rural heritage by enabling preservation of farms and other lands that are under enormous development pressure. Development and growth are inevitable, but growing smartly and protecting our rural heritage requires action. Money from this bond can match private and public funding so the bond dollar stretches well beyond the amount allocated. Citizens get to decide what type of land to help preserve. The Midway Special Bond is the most effective tool to preserve Midway's rural legacy.

Preserving land is fiscally responsible for Midway City and its citizens. Open space generates tourism dollars and costs the City far less money than development. One study found that for every \$1 spent on open space, \$4 was generated by tourism. Primary residences require new schools, new roads, expanded police, fire and other services. As a result, every new subdivision in Midway costs the City and drives future property tax increases. Either way we pay. We can pay a small amount now for a bond that will go a long way toward preserving our rural heritage or we can pave over that heritage and pay more over time to repair and replace infrastructure, build new schools and roads, and expand services. The bond allows us to spend our money wisely for rural preservation and hedge against future costly, uncontrolled growth.

Money from the bond gives landowners options if they want to preserve all or part of their land. If a landowner voluntarily chooses to preserve their land, money from the bond can help them achieve that goal. The entire program is voluntary so no landowner can ever be forced to sell their land unless they choose to do so and on terms that work for them. Without bond money, many landowners will have only one option – selling to developers. The bond gives them several options.

Midway was settled and became the beautiful, prosperous valley it is today by those willing to make great sacrifices. If you believe we should make a small sacrifice to honor their legacy and preserve Midway's rural heritage, then vote FOR the bond.

Katharine Noble

REBUTTAL TO ARGUMENT IN FAVOR

If you work hard for the money you earn, you understand that investing YOUR money wisely is very important. We are being asked to make a substantial investment to preserve Open Space without a clear vision of what this investment will look like, or what our return on investment will be.

What does preserving OUR Rural Heritage really mean to you? What does it look like to you? Who will answer these questions?

We know well-planned communities, like Midway, surrounded by majestic mountains, beautiful rivers, streams, and lakes generate tourism dollars naturally!

Midway does not have uncontrolled growth! Every five years by law the City is required to review the General Plan with citizen input. At this time recommended changes are made to improve and manage future growth.

Some questions to ask before YOU commit to bonding.

- Where is the definition of "Open Space" that will govern and be our guide?
- What are the long-term GOALS?
- Are view corridors included?

- Are Parks and Trails included?
- Is it farmlands with animals?
- Who takes care of it?
- What Citizens decide where OUR money goes?
- Are there willing sellers?
- Will bonding STOP growth?

Wouldn't it be better to say NO until the City leaders clarify and answer these questions of what types of "Open Space" will be considered before we give them a blank check for **5 Million-Dollars???** Then we can make an INFORMED decision on whether or not WE want to bond for Open Space!!!

VOTE NO until WE KNOW!

Colleen Bonner

ARGUMENT AGAINST

Vote NO on a 5 Million-Dollar Bond for Open Space

As Citizens of Midway, on November 6th we will be asked to cast our Vote on a **5 Million-Dollar Bond** and have our taxes raised to acquire Open Space. A question that many have asked is, "what lands will the City acquire and who will take care of these lands?" This question is yet to be answered directly; leaving us, the citizens, without a clear definition of what Open Space really means! Do we honestly want to commit ourselves to higher taxes without a clear understanding of what our return investment will be?

Here are some facts about Midway City and Open Space:

- Midway City is approximately **3500 acres** in size. If you add in the acreage of the purposed annexation declaration it is approximately another **1700 acres**.
- Open Space that already exists in the City boundaries is approximately **600 acres**: this includes but is not limited to, the Crater Springs golf course, Alpinhof Park, Valais Park, Hamlet Park, Centennial Park, the Town Square, required Open Space with in developments and Trails.
- Also in the Cities portfolio of Open Space are the Snake Creek corridor and the Provo River corridor, approximately **1,140 acres**, which are protected by the FEMA flood plain.
- Wasatch Mountain State Park that borders Midway City on the West and the North is approximately **23,000 acres** of beautiful open land that includes two pristine golf courses: Wasatch Mountain, and Solider Hollow. It also includes hundreds of miles of trails that can be used for; hiking, biking, ATVs and horse back riding.

Title 16 of the Land Use Code already has tools in place to protect:

- Hill sides, Slopes, and Natural Grades.
- Ridgelines and Benches.
- Streams, Waterways, and Ditches.
- Wetlands and other Water Resources.
- Sensitive Lands.
- 130 ft. setback from many of the City main roads.

- Open Space requirements for Subdivisions is 15% and for Planned Unit Developments is 50%.

A **5 Million-Dollar Bond** is something that should be well thought through. Should a City the size of Midway, which could be at maximum about **5200 acres** in size and already has approximately **1740 acres** of Open Space in the City boundaries, and will continue to gather Open Space as the City grows, and has approximately **23,000 acres** of State Park land on our borders, really burden the Citizens with higher taxes? The better option is the well-managed planned growth the City currently has in place. We cannot stop growth!

Concerned Citizens Opposed to Bonding for Open Space

Colleen Bonner

REBUTTAL TO ARGUMENT AGAINST

Midway's fields are disappearing at an alarming rate. The con argument points to pocket parks, strips of land along roads, trails, PUD common areas, and a golf course (that can be developed in the future) as evidence of Midway's abundant open space. Almost all of the valley fields that make Midway special are under tremendous development pressure. Other small towns have faced similar growth challenges but their hillsides, trails and land use codes were ineffective against the tidal wave of growth. Do we want to make the same mistakes?

Preserving open spaces will save tax dollars over time. The upkeep of neighborhoods costs far more than they produce in taxes. On average, farmland requires only about 37 cents in public services for each property tax dollar, while residential land in Midway requires \$1.35 in services for every property tax dollar. Passing the bond will keep our taxes down and our quality of life up.

Experts advise against identifying specific properties prior to passing an open space bond. The voter pamphlet gives the definition of open spaces that will qualify for bond money. Midway has already lost hundreds of acres of land to development because it didn't have the funds to preserve that land. The bond enables Midway to act on opportunities as they arise.

Do you want to see the land developed, higher taxes, and lose your quality of life or preserve Midway's rural legacy by passing the bond?

Katharine Noble