Funding & Financial Tools
FY24 Budget

1. Projected slowdown in economy (less sales tax revenue)
2. Limited flexibility on operating budget changes
3. Capacity to budget and plan for major capital projects
4. New funding sources
Potential Capital Projects

- Regional Recycling
- Housing Program Expansion
- Long Range Transportation Plan
- Senior Center
- Bonanza District
- Recreation Expansion
## Source of Existing Housing Funds

<table>
<thead>
<tr>
<th>Revenues for Housing &amp; Land Acquisition Projects</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Sales Tax Revenue Bond</td>
<td>$23,096,752</td>
</tr>
<tr>
<td>Sale of Assets</td>
<td>$839,849</td>
</tr>
<tr>
<td>LPA RDA Balance</td>
<td>$29,459</td>
</tr>
<tr>
<td>Fee In Lieu</td>
<td>$1,358,487</td>
</tr>
<tr>
<td>Other/Misc Capital Accrued Balance</td>
<td>$131,993</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$25,456,539</strong></td>
</tr>
</tbody>
</table>

Proposed FY24-FY28 Allocation

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing Asset Improvement and Maintenance</td>
<td>$2M</td>
</tr>
<tr>
<td>Asset Acquisition</td>
<td>$5.5M</td>
</tr>
<tr>
<td>Public Private Partnership</td>
<td>$16.9M</td>
</tr>
<tr>
<td>Housing Programs</td>
<td>$1M</td>
</tr>
</tbody>
</table>

**FY24-FY28 Housing Program Capital Budget**

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing Asset Improvement &amp; Maintenance</td>
<td>$2,009,757</td>
</tr>
<tr>
<td>Asset Acquisition</td>
<td>$5,500,000</td>
</tr>
<tr>
<td>Public Private Partnership</td>
<td>$16,946,782</td>
</tr>
<tr>
<td>Housing Programs</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

**Total** $25,456,539

Conventional Development v. LIHTC

$50M Total Cost - 120 Units

Debt and Equity Comparison

- **Conventional City Developer**
  - Debt: 10%
  - Developer Equity: 10%
  - City Subsidy: 10%
  - Tax Credit Equity: 10%
  - Land/Other: 10%
  - Total Cost: 75%
  - Cost per Unit: $416k/unit
  - City cost/unit: $0/unit

- **4% Project**
  - Debt: 10%
  - Developer Equity: 15%
  - City Subsidy: 25%
  - Tax Credit Equity: 25%
  - Land/Other: 25%
  - Total Cost: 65%
  - Cost per Unit: $416k/unit
  - City cost/unit: $416k/unit

- **9% Project**
  - Debt: 10%
  - Developer Equity: 15%
  - City Subsidy: 25%
  - Tax Credit Equity: 25%
  - Land/Other: 40%
  - Total Cost: 65%
  - Cost per Unit: $416k/unit
  - City cost/unit: $416k/unit
Funding & Financial Tools

**Existing**
- Unrestricted Funding
  - Fund balance
  - Sales tax
- Capital Projects
  - Defund
  - Defer
- Revenue Debt
  - Water service fees
  - Sales tax
- Grants/Govnt Agencies
  - Federal/state grants
  - Summit County

**New**
- GO Debt
  - Property tax
  - Voter approved
- Property Tax
  - Tax on property value
  - Truth in Taxation
- Grants/Govnt Agencies
  - Federal/state grants
  - Summit County
- Economic Development Tools
  - CRA
  - PID
- Public-private Partnerships (P3)
  - Private sector
  - Reduce City $
Recurring City Revenues for Capital & Their Uses

**Revenue**

- **Resort Tax** ~$15M/Y
  - 31% of Resort Tax to Capital = ~$4-5M/Y (General Fund Transfer)

- **ARCST** ~6.0M/Y
  - Free Cash ~$3-4M/Y
  - 100% of ARCST to Capital = $3-4M/Y

- **TRT** ~2.7M/Y
  - Free Cash ~$1.1M/Y
  - 100% of TRT to Capital = ~1.1M/Y

- **Transit Sales Tax** ~$8.3M/Y

- **LPA RDA** ~3M/Y
  - Free Cash ~$250k/Y
  - 100% of LPA RDA Increment to LPA RDA Capital = ~250k/Y

- **Water Service Fees**
  - Water Net Operating Revenues After Debt Service $3-5M/Y

**Expense**

- **Recurring Capital Projects** (Maintenance, Competitive Process)

- **Large Capital** (Open Space, Downtown Infrastructure, Streets, Storm Water historically)

- **Bonanza Park Neighborhood Area Capital Projects**

- **Transportation Capital Projects**
  - Transportation Net Operating Revenues $300k-$5M/Y

- **LPA RDA Area Capital Projects**

- **Water Capital Projects**

*Source: PCMC as of June 2022.*
Where Do Our Sales Taxes Go?

- **General Sales Tax**: 100% General Fund
- **Resort Tax**: 57% General Fund, 22% Capital Fund
- **Additional Resort Tax**: 100% Capital Fund
- **Transient Room Tax**: 100% Capital Fund
- **Transportation Sales Tax**: 21% Transportation Fund, 100% Transportation Fund

**Funds**:
- General Fund
- Capital Fund
- Transportation Fund
Additional Resort Sales Tax

- Adopted 2012 with Intended Uses
- $5.2M (5-year avg)
- $2.7M/year debt service
- $42.5M Expended

ARST Historical Uses

- Treasure Hill 33%
- Open Space/Land 24%
- Downtown Infrastructure 25%
- Stormwater 6%
- Affordable Housing 12%
Transient Room Tax

**Debt Capacity**

- Hypothetical Debt Structure

- Existing TRT Obligations
- Proposed 2022 New Debt - TRT Component
- Total Existing STR Debt Secured by Transient Room Tax
- Total Projected Transient Room Tax Revenue
- 65% of Projected Transient Room Tax

- ~$13-15M over 20 yrs @ 65% of Gross Revenue
- ~$17-20M over 20 yrs @ 75% of Gross Revenue

**Historical Use**

- Arts & Culture

- Adopted 2017
- $2.7M (3-year avg)
- $1.4M/year debt service
- $22.2M Expended

**Potential Future Use**

100% Flexible at Council Discretion
Hypothetical ARST & TRT Revenue Bond

ARST & TRT Combined Hypothetical Debt Structure with Revenue Projection v. Expenses

- Total Existing STR Debt Secured by Transient Room Tax
- Proposed 2024 New Debt - ARST Component - $
- Existing TRT CIPs
- Total Existing STR Debt Secured by Additional Resort Sales Tax
- Proposed 2024 New Debt - TRT Component - $
- ARST Cash CIPs
- Total Additional Resort and Transient Room Tax Projected Revenue
- ARST and TRT @65% Threshold

Hypothetical ARST & TRT Revenue Bond Statistics

ARST & TRT Combined Hypothetical STR

<table>
<thead>
<tr>
<th>Term</th>
<th>20 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumed Interest Rate</td>
<td>4.05%</td>
</tr>
<tr>
<td>Gross Revenue Threshold</td>
<td>65%</td>
</tr>
<tr>
<td>ARST Proceeds Raised</td>
<td>$50,639,512</td>
</tr>
<tr>
<td>TRT Proceeds Raised</td>
<td>$20,978,822</td>
</tr>
<tr>
<td>ARST Total Principal and Interest Cost</td>
<td>$78,838,400</td>
</tr>
<tr>
<td>TRT Total Principal and Interest Cost</td>
<td>$34,316,331</td>
</tr>
</tbody>
</table>

Existing STR Debt Service

- **2014b ARST STR**
  - Final Payment: FY29
  - Average Annual P&I: $567,717
  - Total Remaining P&I: $4,611,278

- **2015 ARST STR**
  - Final Payment: FY30
  - Average Annual P&I: $1,001,141
  - Total Remaining P&I: $7,004,675

- **2017 LPA RDA Housing STR**
  - Final Payment: FY30
  - Average Annual P&I: $707,457
  - Total Remaining P&I: $4,951,930

- **2017 ARST STR**
  - Final Payment: FY32
  - Average Annual P&I: $601,339
  - Total Remaining P&I: $5,344,980

- **2017 TRT STR**
  - Final Payment: FY32
  - Average Annual P&I: $1,589,422
  - Total Remaining P&I: $14,632,685

- **2017 TRT STR**
  - Final Payment: FY32
  - Average Annual P&I: $1,589,422
  - Total Remaining P&I: $14,632,685

- **2019 ARST STR**
  - Final Payment: FY34
  - Average Annual P&I: $796,618
  - Total Remaining P&I: $11,323,375

- **2019 LPA RDA Housing STR**
  - Final Payment: FY31
  - Average Annual P&I: $1,826,273
  - Total Remaining P&I: $15,206,625

Operating Revenues Opportunities

- Tax on the assessed value of a property
- Council discretion through Truth in Taxation
- Pay for operating or capital
### Property Tax Increase Scenario Analysis

<table>
<thead>
<tr>
<th>Current PC Taxable Value (Summit &amp; Wasatch Counties)</th>
<th>Current Rate</th>
<th>Current Operations Revenue Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14,483,993,316</td>
<td>0.000737</td>
<td>$10,674,703</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate Required for Specified Amount of Additional Revenue</th>
<th>%, Increase in Rate</th>
<th>Additional Revenue to Generate Scenario</th>
<th>Implied New General Operations Revenue Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000806</td>
<td>9%</td>
<td>$1,000,000</td>
<td>$11,674,703</td>
</tr>
<tr>
<td>0.000875</td>
<td>19%</td>
<td>$2,000,000</td>
<td>$12,674,703</td>
</tr>
<tr>
<td>0.000944</td>
<td>28%</td>
<td>$3,000,000</td>
<td>$13,674,703</td>
</tr>
<tr>
<td>0.001013</td>
<td>37%</td>
<td>$4,000,000</td>
<td>$14,674,703</td>
</tr>
<tr>
<td>0.001082</td>
<td>47%</td>
<td>$5,000,000</td>
<td>$15,674,703</td>
</tr>
</tbody>
</table>

| Median Single-Family Home Price as of Q2 2022 | $3,700,000 |
| Median Single-Family Home Price Assessed Value | $1,517,000 |
| Median Single-Family Home Price Taxable Value for a Primary Resident | $834,350 |
| Current Annual Property Tax to PCMC from Median Single-Family Primary Home | $614.92 |

<table>
<thead>
<tr>
<th>Additional Revenue to Generate Scenario</th>
<th>Rate Required for Specified Amount of Additional Revenue</th>
<th>%, Increase in Rate</th>
<th>$, Annual Increase to a Median Single-Family Primary Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000</td>
<td>0.000806</td>
<td>9%</td>
<td>$57.60</td>
</tr>
<tr>
<td>$2,000,000</td>
<td>0.000875</td>
<td>19%</td>
<td>$115.21</td>
</tr>
<tr>
<td>$3,000,000</td>
<td>0.000944</td>
<td>28%</td>
<td>$172.81</td>
</tr>
<tr>
<td>$4,000,000</td>
<td>0.001013</td>
<td>37%</td>
<td>$230.42</td>
</tr>
<tr>
<td>$5,000,000</td>
<td>0.001082</td>
<td>47%</td>
<td>$288.02</td>
</tr>
</tbody>
</table>

Property Tax Distribution

Where Does Your Property Tax Dollar Go?

- Park City School District: 52.34%
- Park City Fire: 8.7%
- PCMC (Debt Levy): 9.85%
- PCMC (Gen Levy): 14.82%
- Other: 4.34%
- Assess & Collect: 2.02%
- Weber Basin Water: 1.96%
- Mosquito Abatement: 0.36%
PCMC limits total General Obligation debt payable to not exceed 2% of the City’s assessed value, which stood at $10.1 Bn as of FY21.

## Hypothetical G.O. Bond Statistics

<table>
<thead>
<tr>
<th>Hypothetical New Recreation G.O. Bond Principal Amount</th>
<th>Prevailing 20Y AA+ Municipal Interest Rate as of 12/5/2022</th>
<th>Term of Hypothetical New G.O. Debt</th>
<th>Annual Debt Payment Implied</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,000,000</td>
<td>4.04%</td>
<td>20</td>
<td>$2,584,491</td>
</tr>
<tr>
<td>$50,000,000</td>
<td>4.04%</td>
<td>20</td>
<td>$3,692,131</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hypothetical New Recreation G.O. Bond Principal Amount</th>
<th>Rate Required for Specified Amount of Additional Revenue</th>
<th>%, Increase in Rate</th>
<th>Additional Revenue to Generate For Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,000,000</td>
<td>0.000915</td>
<td>24%</td>
<td>$2,584,491</td>
</tr>
<tr>
<td>$50,000,000</td>
<td>0.000992</td>
<td>35%</td>
<td>$3,692,131</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hypothetical New Recreation G.O. Bond Principal Amount</th>
<th>$, Annual Increase to a Median Single-Family Primary Home</th>
<th>$, Annual Increase to a Median Single-Family Secondary Home</th>
<th>$, Monthly Increase to a Median Single-Family Primary Home</th>
<th>$, Monthly Increase to a Median Single-Family Secondary Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,000,000</td>
<td>$148.88</td>
<td>$270.69</td>
<td>$12.41</td>
<td>$22.56</td>
</tr>
<tr>
<td>$50,000,000</td>
<td>$212.69</td>
<td>$386.70</td>
<td>$17.72</td>
<td>$32.23</td>
</tr>
</tbody>
</table>

## Existing G.O. Debt Service

<table>
<thead>
<tr>
<th>Year</th>
<th>Project</th>
<th>Final Payment</th>
<th>Average Annual P&amp;I</th>
<th>Total Remaining P&amp;I</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013a</td>
<td>Walkability GO</td>
<td>FY28</td>
<td>$585,950</td>
<td>$3,014,789</td>
</tr>
<tr>
<td>2017</td>
<td>Bonanza Flat GO</td>
<td>FY32</td>
<td>$2,185,968</td>
<td>$19,434,000</td>
</tr>
<tr>
<td>2019</td>
<td>Treasure Hill GO</td>
<td>FY33</td>
<td>$4,040,609</td>
<td>$40,406,300</td>
</tr>
<tr>
<td>2019</td>
<td>Open Space 2008 Refunding GO</td>
<td>FY25</td>
<td>$841,706</td>
<td>$1,688,750</td>
</tr>
<tr>
<td>2020</td>
<td>Armstrong GO</td>
<td>FY35</td>
<td>$747,600</td>
<td>$5,781,001</td>
</tr>
</tbody>
</table>

Historical and Existing G.O. Debt Service

Long Term GO Debt (by Series)

Fiscal Year

Debt Service

Source: PCMC as of April 2022.
Lower Park Avenue RDA

- An update to our fund balance model indicates fund balance is sustainable, yet fully levered as previously noted.
- Potential tax increment from Park City Mountain base development has the potential to benefit RDA fund balance and create slightly more flexibility in the long-term.
Additional Opportunity: Special Financing Tools

**CRA**
- Community Reinvestment Agency
  - Redistributes property tax within geographic boundary based on new growth
  - Other governmental entities must authorize

**PID**
- Public Improvement District
  - Creates a new property tax within geographic boundary
  - City authorizes

Proceeds from special financing deals are 100% dependent on creating new asset growth and the corresponding resulting assessed value of the new asset.
### Development-Linked Financing Tools

<table>
<thead>
<tr>
<th>Authorization</th>
<th>RDA</th>
<th>CRA</th>
<th>PID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxing Entity Committee (representatives from each taxing entity)</td>
<td>ILA between each taxing entity and CRA</td>
<td>City/County where PID is proposed</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiation</th>
<th>City (or County)</th>
<th>City (or County)</th>
<th>Developer seeking more funding</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Governance</th>
<th>Same board as initiating entity (City)</th>
<th>Same board as initiating entity (City)</th>
<th>Separate board</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Property Tax</th>
<th>Redistributes new growth (development) of property tax within boundaries</th>
<th>Redistributes new growth (development) of property tax within boundaries</th>
<th>Adds new property tax for residents of bounded geography only</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Bonding</th>
<th>Proceeds raised from tax increment (new growth in boundaries)</th>
<th>Proceeds raised from tax increment (new growth in boundaries)</th>
<th>Proceeds raised from raised tax levy on new/existing property owners</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Debt Liability</th>
<th>RDA is component unit of City, incurs RDA's debt</th>
<th>CRA is component unit of City, incurs CRA's debt</th>
<th>PID is separate political subdivision, City wouldn't incur debt</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Extension or Change</th>
<th>Through TEC</th>
<th>Through ILAs with each taxing entity</th>
<th>Determined by governing document</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Project Requirement</th>
<th>Flexible</th>
<th>Project area and budget need approval from all taxing entities</th>
<th>Some constraints determined by governing document</th>
</tr>
</thead>
</table>

Transportation Revenue Opportunities

**Transit Sales Taxes**
- $12M/year can be used for ops & capital
- COG (3rd Qtr) - apply through Summit County annually (capital only)
- Fund balance

**Grants**
- Federal and state grants
- Over $30M planned in next 5 yrs
- Continually applying