



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**98-153**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**AGENDA:**  
APRIL 20, 1998

**SYNOPSIS —**

**SUBJECT:**  
GENERAL  
OBLIGATION BOND  
ISSUE

Setting the date of nine separate public hearings (May 4, 1998) for issuance of General Obligation Bonds will begin the annual springtime process of borrowing from the capital markets to pay for the City’ s 1998-99 Capital Improvements Program (CIP). This year an unusually large number of public hearings (nine) is required, because the diverse nature of the 1998-99 CIP projects yields a wide range of categories for which, under State law, separate public hearings must be held.

**TYPE:**  
***RESOLUTION***  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT —**

**SUBMITTED BY:**  
KEVIN RIPER  
FINANCE  
DIRECTOR

The funding amounts for various capital projects are consistent with the 1998-99 CIP, adopted by City Council on March 2, 1998. Annual debt service on this year’ s General Obligation Bond issue will be paid, as usual, from: (i) the property tax debt service levy approved by City Council and certified to the State; and (ii) tax increment funds, as available. Estimated annual debt service on the 20-year bond issue is \$1.6 million at the most recent interest rates.

**RECOMMENDATION —**

**Set the date of nine separate public hearings (May 4, 1998) for issuance of General Obligation Bonds to fund the City’ s 1998-99 CIP, and three additional, non-CIP projects—all in an aggregate amount not to exceed \$19,565,000.**

**BACKGROUND —**

Major CIP projects to be financed include:

- Fire-fighting equipment acquisition (\$1,700,000)

- New fire stations (\$500,000)
- Various library improvements (\$450,000)
- Citywide information and communication system (\$1,000,000)
- Municipal building improvements (\$600,000)
- Neighborhood Finance Corporation (\$1,000,000)
- Intermodal Transportation Facility (\$500,000; tax increment-funded debt service)
- Bike trails (\$300,000)
- Blank Park Zoo (\$200,000)
- Neighborhood park improvements (\$675,000)
- Sports parks (\$250,000)
- Streets: paving, overlay, median islands, intersections, connectors, etc. (\$3,100,000, of which \$100,000 would be tax increment-funded debt service)
- Martin Luther King, Jr. Parkway (\$2,250,000, of which \$2,000,000 would be tax increment-funded debt service)
- 30th/31st Street widening at University (\$710,000)
- Accent Neighborhood (\$550,000; non-CIP; tax increment-funded debt service)
- Central Place (\$290,000; non-CIP; tax increment-funded debt service)
- Grocery store (\$500,000; non-CIP; tax increment-funded debt service)

The structure of the bond issue is consistent with the City's debt management policy. The bond sale, and Council approval thereof, is scheduled for Monday, June 1, 1998. Closing is scheduled for June 22, 1998.