

CITY COUNCIL
COMMUNICATION:

03-051

AGENDA:

JANUARY 27, 2003

SUBJECT:

SETTING DATE OF
HEARING FOR
STORMWATER
REVENUE BOND
ISSUE

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

MERRILL R. STANLEY
FINANCE DIRECTOR

ITEM _____

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

SYNOPSIS —

Setting the date for public hearing on March 10, 2003 for the issuance of Stormwater Revenue Bonds in an aggregate amount not to exceed \$10,000,000. This will begin the process of borrowing from the capital markets to pay for the City's stormwater improvements as approved in the City's FY 2001-02 and FY 2002-03 Capital Improvement Program.

FISCAL IMPACT —

The City pledges that annual debt service will be paid from revenues of the City's Stormwater Management Utility System. This is a revenue bond issue—not a general obligation bond issue. Hence, the debt does not count toward the City's constitutional debt limit. The stormwater projects are consistent with the Amended FY 2002-03 CIP.

RECOMMENDATION —

Approval.

BACKGROUND —

The stormwater improvements to be financed include the following estimated project costs:

Easton Detention Basin - \$6,315,000 - This project provides for construction of a stormwater detention basin south of Easton Boulevard at East 26th Street, including the inlet and outlet. Beautification amenities will be incorporated into the project. Improvements to East 26th Street will be constructed to provide access to the stormwater detention basin.

Closes Creek Watershed Improvements - \$2,030,000 - This project provides for improvements to address structural and capacity deficiencies in the Closes Creek System and drainage complaints in the 1,500-acre watershed.

The current timeline has March 24, 2003 as the prescribed sale date for the revenue bonds, but is subject to change in response to

fluctuating conditions in the municipal bond market.