

CITY COUNCIL
COMMUNICATION:

03-114

AGENDA:

MARCH 10, 2003

SUBJECT:

PUBLIC HEARING
AND PRELIMINARY
OFFICIAL
STATEMENT 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 —

Public hearing for 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 2003-04 and FY 2004-05 Capital Improvement Program.

The Preliminary Official Statement (POS) is being prepared for distribution to potential buyers of the City's bonds in the capital markets. The bonds will be advertised for sale on March 24, 2003.

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. Therefore, the debt does not count toward the City's constitutional debt limit. The stormwater projects are consistent with the FY 2003-04 CIP document adopted by City Council on February 24, 2003.

RECOMMENDATION —

- 1) Approve the issuance of Stormwater Revenue Bonds in an aggregate amount not to exceed \$10,000,000.**
- 2) Authorize the completion and distribution of the POS relating to the issuance of Stormwater Revenue Bonds.**
- 3) Direct the advertisement of sale of the bonds on a date to be determined by the City Clerk and Finance Director.**

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.

	<p>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.</p>
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