

CITY COUNCIL  
COMMUNICATION:

03-134

AGENDA:

MARCH 24, 2003

SUBJECT:

SALE OF  
STORMWATER  
REVENUE BONDS,  
SERIES 2003B

TYPE:

RESOLUTION  
ORDINANCE  
RECEIVE/FILE

SUBMITTED BY:

MERRILL R. STANLEY  
FINANCE DIRECTOR

ITEM \_\_\_\_\_

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

**SYNOPSIS —**

Authorization is necessary for issuance of Stormwater Revenue Bonds in the amount of \$9,440,000, to pay for the City's Stormwater System improvements as approved in the City's Fiscal Year (FY) 2002-03 and FY2003-04 Capital Improvement Program (CIP).

The City will receive competitive bids from underwriters midday on Monday, March 24, 2003. Council will be asked to award the sale to the firm or group of firms with the best bid (lowest interest rate) and to authorize issuance of the bonds. Information regarding bids received will be provided just prior to the Council meeting. These bonds have been rated Aa3 by Moody's and AA+ by Standard & Poor's.

**FISCAL IMPACT —**

The City pledges that annual debt service will be paid from revenues of the City's Stormwater 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.

**RECOMMENDATION —**

1. **Award the sale of \$9,440,000 Stormwater Revenue Bonds, Series 2003B.**
2. **Provide a method of payment of bonds.**

**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 26<sup>th</sup> Street, including the inlet and outlet. Beautification amenities will be incorporated into the project. Improvements to East 26<sup>th</sup> 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.