



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 5/17/04

Communication

No.: 04-232

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Merrill R. Stanley, Finance Director

SUBJECT—

Setting the date for public hearing on June 21, 2004 for the issuance of Stormwater Revenue Bonds.

SYNOPSIS—

Setting the date for public hearing on June 21, 2004 for the issuance of Stormwater Revenue Bonds in an aggregate amount not to exceed \$8,600,000. 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 2004-05 and FY 2005-06 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.

RECOMMENDATION—

Approval

BACKGROUND—

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

- Closes Creek Watershed Improvements - \$4,450,000 - 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.
- Easter Lake Watershed Improvements - \$1,400,000 – This project provides for construction of retention basins and drop structure energy dissipation to provide erosion protection and effective drainage for the tributaries of Easter Lake. This will protect the lake as a recreational asset.
- Leetown Creekway Wooden Box Replacement - \$1,600,000 – This project provides for the replacement of the aging and deteriorating Leetown Creekway wooden box sewer between Easton Boulevard at East 26th Street and East University Avenue at East 30th Street.

The public hearing is scheduled for June 21, 2004 to accommodate the 30-day notice requirement. In an effort to get the issue to market as quickly as possible, and diminish the effects of rising interest rates, the sale will also be held on June 21, and Council will be asked to be approve the sale after holding the public hearing.