



**Council
Communication**
Office of the City Manager

Date April 10, 2006

Agenda Item No. 30
Roll Call No. 06-
Communication No. 06-205
Submitted by: Merrill Stanley, Assistant City
Manager/Finance Director

AGENDA HEADING:

Setting the date of public hearings regarding the issuance of General Obligation Bonds for the FY 2006-07 Capital Improvement Program (4-24-06).

SYNOPSIS:

Setting the date of April 24, 2006 to hold fourteen public hearings regarding the issuance of General Obligation Bonds for the FY 2006-07 Capital Improvement Program. This is the first step in the process to finance the purchase and construction of projects totaling \$39,218,750.

FISCAL IMPACT:

Amount: \$39,855,000, made up of \$39,218,750 project costs and \$636,250 issuance expenses, plus interest.

Funding Source: Fiscal Year 2006-07 Operating Budget:

- Property Tax Debt Service Levy – Debt Service Fund, Series 2006X – FIN905500 to FIN906500, Page 204.
- Tax Increment Financing – Metro Center District – SP370 FIN909105, Page 309.
- Tax Increment Financing – Southeast Agricultural District – SP370 FIN909108, Page 309.

ADDITIONAL INFORMATION:

A public hearing must be held prior to any borrowing by the City. This action sets the date for a public hearing to consider bonding for the FY 2006-07 Capital Improvements Program (CIP) that was approved by City Council on March 6, 2006. Specific projects to be financed are detailed in the attached list of Projects by Category, and are summarized by category as follows:

CATEGORY

AMOUNT

• Bridge and Viaduct	\$2,450,000
• Fire Protection Improvements	2,025,000
• Library Improvements	1,541,250
• Municipal Improvements	5,885,000
• Parks Improvements	8,400,000
• Sidewalk Improvements	1,180,000
• Street Improvements	13,107,500
• Traffic Control Improvements	290,000
• Neighborhood and Economic Development Improvements	<u>4,340,000</u>
• Total Projects	\$39,218,750
• Estimated Issuance Costs	<u>636,250</u>
• Total Bond Issue Amount	\$39,855,000

A second listing is attached to show the projects included in each of fourteen public hearings. The projects are assigned a designation of Essential Corporate Purpose (ECP) or General Corporate Purpose (GCP) according to the requirements of Iowa statute. These designations determine whether or not the borrowing is subject to referendum or reverse referendum. None of the projects require a referendum, but all projects, with the exception of those included in hearing ECP-1, are subject to reverse referendum. A reverse referendum can be initiated by the filing of a petition signed by 10% of voters from the last regular municipal election.

The next step will be to meet with Council to recommend a financing structure. This is scheduled to take place at the Council Workshop of April 20, 2006 in advance of the public hearing on April 24. The workshop discussion will include a review of project useful lives as they relate to bond repayment schedules and a review of projects that may be dependent on private donations or other unconfirmed funding sources.

The Council will then be asked on May 8, 2006 to approve the bond structure, amount and sale date. The bond sale is tentatively scheduled for Wednesday, May 31, which will require a special Council meeting, but follows a strategy of scheduling bond sales apart from Mondays and Tuesdays in an effort to benefit from greater interest on the part of potential underwriters and investors.

PREVIOUS COUNCIL ACTION(S):

Date: March 6, 2006

Roll Call Number: 06-454

Action: Proposed Annual Budget for fiscal year ending June 30, 2007, and approving the Capital Improvements Program for fiscal years 2006-2007 to 2011-2012. Moved by Coleman to adopt. Motion Carried 7-0.

Date: April 25, 2005

Roll Call Number: 05-1027 through 05-1051

Action: Public Hearings on Items Regarding General Obligation Bond Proposals. ([Council](#))

[Communication No. 05-215](#)) Moved by Hensley to adopt. Motion Carried 5-1-1. Nays: Brooks.
Pass:
Mahaffey.

Date: April 11, 2005

Roll Call Number: 05-850 through 05-862

Action: Setting date of hearing on items regarding general obligation bond proposals, (4-25-05).
([Council Communication No. 05-201](#)) Moved by Coleman to adopt. Motion Carried 5-1-1. Nays:
Brooks. Absent: Cownie.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Subsequent steps in the planned timeline for the 2006 G.O. Bond issue are as follows:

- April 20, 2006 – City Council Workshop presentation – alternative financing structures based on project useful lives.
- April 24, 2006 – Public Hearings held at regular City Council meeting.
- May 8 – City Council to approve bond sale date, structure, and amounts.
- May 31 – Special City Council meeting to award sale of bonds.

CITY OF DES MOINES
DISTRIBUTION OF BOND PROCEEDS AND COSTS - PROJECTS BY
GENERAL OBLIGATION BONDS, SERIES 2006

Total Issue =

39,855,000

Issuance Cost Allocation =

Project Code	Project	Hearing #	Tax Status	Amount GO Funded
Bridge and Viaduct				
BRV039	Structural Repair and Corrosion Protection	ECP-1	TE	1,200,000
BRV035	SW 8th Street Bridge over MLK	ECP-2	DTE	-
BRV099	Unallocated (Issuance Costs)			-
Bridge and Viaduct Total =				1,200,000
Fire Protection Improvements				
FIR013	Equipment Acquisition	ECP-1	TE	775,000
FIR038	Maintenance/Logistics & Training Campus	GCP-5	TE	500,000
FIR038	Maintenance/Logistics & Training Campus	GCP-4	TE	750,000
FIR099	Unallocated (Issuance Costs)			-
Fire Protection Total =				2,025,000
Library Improvements				
LIB046	Collection Additions and Replacement	GCP-3	TE	910,000
LIB049	North Side Library	GCP-5	TE	86,250
LIB050	South Side Library	GCP-5	TE	345,000
LIB052	Forest Ave Library	GCP-4	TE	200,000
LIB099	Unallocated (Issuance Costs)			-
Library Total =				1,541,250

TAX STATUS: T = Taxable TE = Tax Exempt DTE = Double Tax Exempt

CITY OF DES MOINES
DISTRIBUTION OF BOND PROCEEDS AND COSTS - PROJECTS BY
GENERAL OBLIGATION BONDS, SERIES 2006

Total Issue =

39,855,000

Issuance Cost Allocation =

				Amount
Project Code	Project	Hearing	Tax Status	GO Funded
Municipal Improvements				
BLD060	Enhanced City-Wide Information and Comm. Systems	GCP-11	TE	650,000
BLD060	Enhanced City-Wide Information and Comm. Systems	GCP-12	TE	774,500
BLD060	Enhanced City-Wide Information and Comm. Systems	GCP-13	TE	450,000
BLD060	Enhanced City-Wide Information and Comm. Systems	GCP-14	TE	625,500
BLD085	Municipal Building Improvements	GCP-6	TE	100,000
BLD108	Public Works Building Improvements	GCP-6	TE	20,000
BLD119	Radio Receiver - South Site	ECP-1	TE	250,000
BLD043	Removal of Underground Storage Tanks	ECP-1	TE	20,000
BLD044	Municipal Building Reroofing	GCP-6	TE	50,000
BLD111	Parking Lot Rehabilitation	GCP-6	TE	20,000
BLD118	Purchase of Office/Storage Space for STAR Unit	GCP-7	TE	600,000
BLD118	Purchase of Office/Storage Space for STAR Unit	GCP-6	TE	700,000
BLD079	Police and Fire Radio System Imp	ECP-1	TE	500,000
BLD112	Workspace Study - Reconfiguration	ECP-2	DTE	-
BLD117	East Side Parking Garage	ECP-2	T	-
BLD099	Unallocated (Issuance Costs)			-
Municipal Improvements Total =				4,760,000

TAX STATUS: T = Taxable TE = Tax Exempt DTE = Double Tax Exempt

CITY OF DES MOINES
DISTRIBUTION OF BOND PROCEEDS AND COSTS - PROJECTS BY CATEGORY
GENERAL OBLIGATION BONDS, SERIES 2006

Total Issue =

39,855,000

Issuance Cost Allocation =

1.0

				Amount Required	
Project Code	Project	Hearing #	Tax Status	GO Funded	TI Funded
Parks Improvements					
PKS010	Road, Parking Lot, Sidewalk, Drainage Imp	ECP-1	TE	155,000	
PKS034	Wading Pool Improvements	GCP-9	TE	900,000	
PKS142	Park Signs	ECP-1	TE	115,000	
PKS143	Park Building Improvements	ECP-1	TE	180,000	
PKS153	Swimming Pool and Aquatic Improvements	GCP-10	TE	770,000	
PKS158	Public Art	ECP-1	TE	200,000	
PKS013	Blank Park Zoo Improvements	GCP-8	T	700,000	
PKS033	Community Center Improvements	GCP-8	TE	230,000	
PKS040	Park Planning and Design	ECP-1	TE	315,000	
PKS045	Recreation Trails	ECP-1	TE	1,005,000	
PKS047	Park Infrastructure	ECP-1	TE	420,000	
PKS100	Park Redevelopment	ECP-1	TE	1,190,000	
PKS116	Botanical Center Improvements	GCP-10	TE	200,000	
PKS133	Southwestern Hills Neighborhood Park	ECP-1	TE	30,000	
PKS137	Neighborhood Park Improvements	ECP-1	TE	490,000	
PKS138	Cemetery Infrastructure and Improvements	ECP-1	TE	355,000	
PKS140	Gray's Lake Park Improvements	ECP-1	TE	25,000	
PKS146	Forestry Improvements	ECP-1	TE	50,000	
PKS159	Soccer Complex	ECP-1	TE	50,000	
PKS160	New Central Maintenance Facility	ECP-1	TE	50,000	
PKS164	Skate Park	ECP-1	TE	700,000	
PKS165	Hoover High School Courts	ECP-1	TE	150,000	
PKS167	Urban Conservation Projects	ECP-1	TE	25,000	
PKS132	Principal Park Stadium Improvements **	ECP-2	T	-	95,000
PKS099	Unallocated (Issuance Costs)			-	
Parks Improvement Total =				8,305,000	95,000
Sidewalk Improvements					
STR081	School Routes and Priority Sidewalks	ECP-1	TE	50,000	
STR084	City-wide Sidewalk Replacement - Public Works	ECP-1	TE	240,000	
SID094	Downtown Skywalk System	ECP-2	DTE	-	890,000
STR085	Unallocated (Issuance Costs)			-	
Sidewalk Total =				290,000	890,000

TAX STATUS: T = Taxable TE = Tax Exempt DTE = Double Tax Exempt

CITY OF DES MOINES
DISTRIBUTION OF BOND PROCEEDS AND COSTS - PROJECTS
GENERAL OBLIGATION BONDS, SERIES 2006

Total Issue =

39,855,000

Issuance Cost Allocation =

Project Code	Project	Hearing	Tax Status	GO Funded
Street Improvements				
STR003	Asphaltic Paving Restoration	ECP-1	TE	650,000
STR013	City-wide Paving	ECP-1	TE	750,000
STR020	Asphaltic Overlay & Curb Replacement	ECP-1	TE	60,000
STR075	Downtown Area Street Restoration	ECP-1	TE	200,000
STR102	Concrete Paving Restoration - PW	ECP-1	TE	500,000
STR132	ACCENT Neighborhood Intersection Improvements	ECP-1	TE	250,000
STR215	Warren County-Roadway Imp	ECP-1	TE	50,000
STR221	Ingersoll Streetscape Imp 28th - 31st	ECP-1	TE	250,000
STR065	PCC Pavement Replacement	ECP-1	TE	150,000
STR103	Concrete Curb & Median Replacement	ECP-1	TE	500,000
STR118	Corridor Studies and Acquisition - SW/SE Diagonals	ECP-1	TE	900,000
STR205	Neighborhood Infrastructure Rehabilitation Program	ECP-1	TE	1,000,000
STR212	McKinley Ave Widening - Fleur Drive to E Indianola Ave	ECP-1	TE	400,000
STR213	E Indianola Ave Widening-SE 14th/Cnty Line	ECP-1	TE	250,000
STR220	SE Connector - Environmental Impact Statement	ECP-1	TE	25,000
STR222	Rehab and Preservation of Major Roadways	ECP-1	TE	620,000
STR223	E 14th St-E Sheridan Ave/Ovid	ECP-1	TE	100,000
STR224	SE 14th/Hartford-Turn Lane Mod	ECP-1	TE	112,500
STR226	Railroad Quiet Zones	ECP-1	TE	50,000
STR075	Downtown Area Street Restoration	ECP-2	DTE	-
STR138	MLK PWKY - North/South	ECP-2	DTE	-
STR214	SE Connector-SW 2nd-SE 6th	ECP-2	DTE	-
STR219	SE Connector - SE Sixth St to SE 14th	ECP-2	DTE	-
STR225	Court Ave St Scape/2-Way Conv	ECP-2	DTE	-
STR227	Riverpoint West Street Improvements	ECP-2	DTE	-
STR099	Unallocated (Issuance Costs)			-
	Streets Total =			6,817,500

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CITY OF DES MOINES
DISTRIBUTION OF BOND PROCEEDS AND COSTS - PROJECTS B
GENERAL OBLIGATION BONDS, SERIES 2006

Total Issue =

39,855,000

Issuance Cost Allocation =

Project Code	Project	Hearing	Tax Status	GO Funded	Amo
Traffic Control Improvements					
TFC095	LED Bulb Change out	ECP-1	TE	70,000	
STR097	City-wide Traffic Signal Interconnect	ECP-1	TE	120,000	
TCF091	City-wide Signals, Canalization	ECP-1	TE	100,000	
TCF087	Unallocated (Issuance Costs)			-	
	Traffic Total =			<u>290,000</u>	
Neighborhood and Economic Dev Imp					
URR014	Neighborhood Finance Corporation	ECP-1	TE	1,300,000	
URR027	Western Gateway	ECP-2	DTE	-	
URR033	SE AG Park	ECP-2	T	-	
URR048	Neighborhood Development Corporation	ECP-1	TE	1,000,000	
URR060	SE Development Plan	ECP-2	T	40,000	
	Total Economic Development =			<u>2,340,000</u>	
Total				27,568,750	
Total Tax-Exempt				26,828,750	
Total Taxable				740,000	
Total Double Tax-Exempt				-	
Total				27,568,750	
ISSUANCE COSTS					
	Bond Counsel, Financial Advisors, Rating Agencies, Underwriter's Discount, Printing, Misc			447,250	
Total				28,016,000	

TAX STATUS: T = Taxable TE = Tax Exempt DTE = Double Tax Exempt

PROJECT CLASSIFICATIONS
and
HEARINGS SUMMARY

ECP-1

NOT TO EXCEED \$18,270,000
GENERAL OBLIGATION BONDS
(Misc. Essential Corporate Purposes)

Bridge and Viaduct

- Structural Repair and Corrosion Protection

Fire Protection Improvements

- Equipment Acquisition

Municipal Improvements

- Removal of Underground Storage Tanks
- Police and Fire Radio System Imp.
- Radio Receiver - South Site

Parks Improvements

- Road, Parking Lot, Sidewalk, Drainage Improvements
- Planning and Design
- Recreation Trails
- Park Infrastructure
- Park Redevelopment
- Southwestern Hills Neighborhood Park
- Neighborhood Park Improvements
- Cemetery Infrastructure and Improvements
- Gray's Lake Park Improvements
- Park Signs
- Park Building Improvements
- Forestry Improvements
- Public Art
- Soccer Complex
- New Central Maintenance Facility
- Skate Park
- Hoover High School Courts
- Urban Conservation Projects

Sidewalk Improvements

- School Routes and Priority Sidewalks
- City-wide Sidewalk Replacement-Public Works

Street Improvements

- Asphaltic Paving Restoration
- City-wide Paving
- Asphaltic Overlay & Curb Replacement
- PCC Pavement Replacement
- Downtown Area Street Restoration (\$200,000)
- Concrete Paving Restoration – PW
- Concrete Curb & Median Replacement
- Corridor Studies and Acquisition - SW/SE Diagonals
- ACCENT Neighborhood Intersection Improvements
- Neighborhood Infrastructure Rehabilitation Program
- McKinley Ave. Widening - Fleur Drive to E. Indianola Ave.
- E. Indianola Widening - S.E. 14th/Cnty Line
- Warren County - Roadway Imp.
- SE Connector-Environmental Impact Statement
- Ingersoll Streetscape Improvements 28th-31st
- Rehabilitation and Preservation of Major Roadways
- E 14th St. - E. Sheridan Ave/Ovid
- SE 14th/Hartford - Turn lane mod.
- Railroad Quiet Zones

Traffic Control Improvements

- City-wide Traffic Signal Interconnect
- City-wide Signals, Channelization
- LED Bulb Change out

Neighborhood and Economic Development Improvements

- Neighborhood Finance Corporation
- Neighborhood Development Corporation

ECP-2

NOT TO EXCEED \$11,825,000
GENERAL OBLIGATION BONDS
(Essential Corporate Purposes - Urban Renewal)

Bridge and Viaduct

- SW 8th Street Bridge over MLK

Municipal Improvements

- Workspace Study - Reconfiguration
- East Side Parking Garage

Parks Improvements

- Principal Park Stadium Improvements

Sidewalk Improvements

- Downtown Skywalk System

Street Improvements

- Downtown Area Street Restoration (\$300,000)
- MLK Pkwy - North/South
- SE Connector - SW 2nd - SE 6th
- SE Connector - SE 6th to SE 14th
- Court Ave. Streetscape/2-way Conversion
- Riverpoint West Street Improvements

Neighborhood and Economic Development Improvements

- Western Gateway
- SE Ag Park
- SE Development Plan

GCP-3

NOT TO EXCEED \$925,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Library)

Library Improvements

- Collection Additions and Replacement

GCP-4

NOT TO EXCEED \$965,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Fire and Library)

Fire Protection Improvements

- Maintenance/Logistics & Training Campus-land acquisition (\$750,000)

Library Improvements

- Forest Avenue Library

GCP-5

NOT TO EXCEED \$945,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Fire and Library)

Fire Protection Improvements

- Maintenance/Logistics & Training Campus-design (\$500,000)

Library Improvements

- North Side Library
- South Side Library

GCP-6

NOT TO EXCEED \$910,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Municipal Improv.)

Municipal Improvements

- Municipal Building Reroofing
- Municipal Building Improvements
- Public Works Building Improvements
- Parking Lot Rehabilitation
- Purchase of office/storage space for STAR unit (\$700,000)

GCP-7

NOT TO EXCEED \$615,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Municipal Improv.)

Municipal Improvements

- Purchase of office/storage space for STAR unit (\$600,000)

GCP-8

NOT TO EXCEED \$940,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Park Improv.)

Park Improvements

- Blank Park Zoo Improvements
- Community Center Improvements

GCP-9

NOT TO EXCEED \$915,000
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Park Improv.)

Park Improvements

- Wading Pool Improvements

GCP-10

NOT TO EXCEED \$985,000

<u>Hearing</u>	<u>Principal amount of projects included in hearing</u>	<u>Estimated Costs of Issuance</u>	<u>Adjusted hearing amounts</u>
ECP-1	\$17,947,500	\$322,500	\$18,270,000
ECP-2	\$11,690,000	135,000	11,825,000
GCP-3	\$ 910,000	15,000	925,000
GCP-4	\$ 950,000	15,000	965,000
GCP-5	\$ 931,250	13,750	945,000
GCP-6	\$ 890,000	20,000	910,000
GCP-7	\$ 600,000	15,000	615,000
GCP-8	\$ 930,000	10,000	940,000
GCP-9	\$ 900,000	15,000	915,000
GCP-10	\$ 970,000	15,000	985,000
GCP-11	\$ 650,000	15,000	665,000
GCP-12	\$ 774,500	15,500	790,000
GCP-13	\$ 450,000	15,000	465,000
GCP-14	\$ <u>625,500</u>	<u>14,500</u>	<u>640,000</u>
	\$39,218,750	\$636,250	\$39,855,000