



Council Communication

Office of the City Manager

Date	April 21, 2008
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Agenda Item No.	57
Roll Call No.	<u>08-</u>
Communication No.	<u>08-239</u>
Submitted by:	Allen McKinley, Finance Director

AGENDA HEADING:

Public Hearings regarding the Issuance of General Obligation Bonds for the FY2008-09 Capital Improvement Budget.

SYNOPSIS:

Recommend the holding of seven public hearings regarding the issuance of general obligation bonds for the FY2008-09 Capital Improvement Budget. This is the first step in the process to finance the construction of capital projects totaling \$30.98 million.

FISCAL IMPACT:

Amount: \$30,980,000 (\$30,470,000 project costs and \$510,000 issuance expenses)

Funding Source:

Fiscal Year 2008-09 Operating Budget:

- Property Tax Debt Service Levy – Debt Service Fund – DS001 FIN900100, Page 153.
- Tax Increment Fund – Special Revenue Fund – SP370 FIN909105, Page 154.

ADDITIONAL INFORMATION:

A public hearing must be held prior to any borrowing by the City. The public hearings are to consider bonding for the FY2008-09 Capital Improvement Budget, which was approved by City Council on February 25, 2008. City staff has determined that there is no need to issue bonds at this time for the Eastside Parking Garage because an alternative financing method is being considered. Thus, \$8.9 million of bonds have been deleted from the anticipated bond sale. If that alternative becomes unworkable, however, a separate bond issue may be pursued later in the year. City staff has identified 19 projects that involved some sort of non-city matching funds. Of those 19 projects, three (3) projects do not have matching funding specifically identified.

Neighborhood Streetscape Improvements

The project did not identify specific non-city funding, but the project concept included use of City funding as a match to funding generated by a neighborhood group. The Park and Recreation Department has identified neighborhood projects to be awarded funding from the prior year bond issue; it also is starting the application process for funding projects from this bond issue. Staff recommends proceeding with the issuance of bonds for this \$25,000 project.

School Routes and Priority Sidewalks

Assessments comprise the non-City funding for this project. Assessment funding is realized through a subsequent hearing process once specific sidewalk projects are initiated. Staff recommends proceeding with the issuance of the bonds for this project in the full budgeted amount of \$75,000.

Streetscape Projects

This project is similar to the Neighborhood Streetscape project, except it centers on neighborhood/commercial areas. There are no specific projects nor non-city funding identified at this time. It is recommended to proceed with the issuance of bonds for the project with the provision that a status report on the use of the funds comes before Council before any additional bonds are issued. The amount proposed to be bonded is \$1,000,000.

The final sizing of the bond issue will be established at the May 7th Council meeting. Specific projects to be financed are detailed in a list at the end of this communication. Projects are summarized by category as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>
• Bridge Improvements	\$ 1,000,000
• Neighborhood/Economic Development Improvements	\$ 2,000,000
• Fire Protection Improvements	\$ 5,490,000
• Library Improvements	\$ 600,000
• Municipal Building Improvements	\$ 2,095,000
• Park Improvements	\$ 7,440,000
• Sidewalk Improvements	\$ 1,075,000
• Street Improvements	\$10,355,000
• <u>Traffic Control Improvements</u>	<u>\$ 415,000</u>
TOTAL PROJECT IMPROVEMENTS	\$30,470,000
<u>Issuance Costs</u>	<u>\$ 510,000</u>
TOTAL BOND ISSUE	\$30,980,000

PREVIOUS COUNCIL ACTION(S):

Date: April 7, 2008

Roll Call Number: 08-335

Action Items regarding General Obligation Bond Proposals: ([Council Communication No. 08-177](#)) Moved by Vlassis to adopt. Motion Carried 6-1.

Date: February 25, 2008

Roll Call Number: 08-335

Action: [Proposed](#) Annual Budget for the fiscal year ending June 30, 2009 and Capital Improvements Program for fiscal years 2008-09 to 2013-2014. ([Council Communication No. 08-103](#)) Moved by Hensley to adopt. Motion Carried 6-1. Nays: Coleman.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

May 5, 2008: Directing sale of bonds and approval to release preliminary offering statement.

June 4, 2008: Special Council meeting to award low bid on sale of bonds.

June 9, 2008: Council authorization to issue bonds and levy taxes.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.

PROJECT CLASSIFICATIONS
and
HEARINGS SUMMARY

ECP-1

NOT TO EXCEED \$20,740,000
GENERAL OBLIGATION BONDS
(Misc. Essential Corporate Purposes)

Bridge and Viaduct (\$1,000,000)

- City-wide Bridges (\$150,000)
- East Payton Avenue over Stream (\$100,000)
- Structural Repair and Corrosion Protection (\$750,000)

Economic Development Improvements (\$2,000,000)

- Neighborhood Development Corporation (\$1,000,000)
- Neighborhood Finance Corporation (\$1,000,000)

Fire Protection Improvements (\$1,240,000)

- Equipment Acquisition (\$1,240,000)

Municipal Improvements (\$20,000)

- Removal of Underground Storage Tanks (\$20,000)

Parks Improvements (\$6,770,000)

- Cemetery Infrastructure and Improvements (\$270,000)
- Evelyn K Davis Park Improvements (\$65,000)
- Fleur Drive Planters (\$450,000)
- Forestry Improvements (\$105,000)
- Fort Des Moines Stabilization Projects (\$75,000)
- Gray's Lake Park Improvements (\$230,000)
- Greenhouses at Chesterfield (\$100,000)
- Maintenance Facility Improvements (\$75,000)
- Neighborhood Park Improvements (\$1,595,000)
- Neighborhood Streetscape Matching Funds (\$25,000)
- Park Building Improvements (\$665,000)
- Park Redevelopment (\$1,385,000)
- Public Art (\$250,000)
- Recreation Trails (\$1,045,000)

- Skate Park (\$15,000)
- Soccer Complex (\$210,000)
- Urban Conservation Projects (\$50,000)

Sidewalk Improvements (\$625,000)

- City-wide Sidewalks – ADA Compliance (\$300,000)
- City-wide Sidewalk Replacement-Public Works (\$250,000)
- School Routes and Priority Sidewalks (\$75,000)

Street Improvements (\$8,630,000)

- Army Post Widening – SE 5th to SW 9th (\$150,000)
- Asphaltic Paving Restoration (\$750,000)
- City-wide Paving (\$600,000)
- Concrete Curb & Median Replacement (\$525,000)
- Concrete Paving Restoration – PW (\$535,000)
- E 14th St. - E. Sheridan Ave/Ovid (\$100,000)
- E. Indianola Widening - S.E. 14th/Cnty Line (\$800,000)
- E 33rd and Easton Blvd. Intersection Improvements (\$150,000)
- McKinley Ave. Widening - Fleur Drive to E. Indianola Ave. (\$1,500,000)
- Merle Hay Rd and Urbandale Ave Intersection Imp. (\$100,000)
- Neighborhood Infrastructure Rehabilitation Program (\$1,000,000)
- NE 56th Street Reconstruction (\$600,000)
- PCC Pavement Replacement (\$250,000)
- Pennsylvania Ave Widening – Buchanan to Filmore (\$270,000)
- Rehabilitation and Preservation of Major Roadways (\$300,000)
- Streetscape Improvements (\$1,000,000)

Traffic Control Improvements (\$415,000)

- City-wide Traffic Signal Interconnect (\$235,000)
- City-wide Signals, Channelization (\$150,000)
- City-Wide Neighborhood Traffic Control Program (\$30,000)

Issuance Costs (\$200,00)

ECP-2 **NOT TO EXCEED \$6,425,000**
GENERAL OBLIGATION BONDS
(Essential Corporate Purposes - Urban Renewal)

Fire Improvements (\$4,000,000)

- Maintenance/Logistic and Training Campus (\$4,000,000)

Parks Improvements (\$50,000)

- Principal Park Stadium Improvements (\$50,000)

Sidewalk Improvements (\$450,000)

- Downtown Skywalk System (\$450,000)

Street Improvements (\$1,725,000)

- Downtown Area Street Restoration (\$300,000)
- High Street Realignment – 10thSt to 14th Street (\$570,000)
- Riverpoint West Street Improvements (\$355,000)
- SE 6th Street Widening – Court to DM River (\$500,000)

Issuance Costs (\$200,000)

GCP-3 **NOT TO EXCEED \$620,000**
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Library)

Library Improvements (\$600,000)

- Collection Additions and Replacement (\$500,000)
- Miscellaneous Building Improvements (\$100,000)

Issuance Costs (\$20,000)

GCP-4 **NOT TO EXCEED \$475,000**
GENERAL OBLIGATION BONDS
(General Corporate Purposes - Fire and Municipal Bldg.)

Fire Protection Improvements

- Fire Station Remodeling (\$255,000)

Municipal Building Improvements

- Enhanced City-Wide Info System (ERP Sys - \$205,000)

Issuance Costs (\$20,000)

GCP-5

NOT TO EXCEED \$945,000

GENERAL OBLIGATION BONDS

(General Corporate Purposes – Municipal Building)

Municipal Building Improvements (\$920,000)

- Energy Conservation (\$100,000)
- HVAC, Electrical, & Plumbing Imp. (\$200,000)
- Municipal Building Improvements (\$250,000)
- Municipal Building Reroofing (\$200,000)
- Parking Lot Rehabilitation (\$50,000)
- Police Academy Improvements (\$100,000)
- Public Works Building Improvements (\$20,000)

Issuance Costs (\$25,000)

GCP-6

NOT TO EXCEED \$800,000

GENERAL OBLIGATION BONDS

(General Corporate Purposes – Parks)

Park Improvements

- Blank Park Zoo Improvements (\$315,000)
- Community Center Improvements (\$280,000)
- First Tee (\$25,000)
- Swimming Pool and Aquatic Improvements (\$160,000)

Issuance Expense (\$20,000)

GCP-7

NOT TO EXCEED \$975,000

GENERAL OBLIGATION BONDS

(General Corporate Purposes - Municipal Improvements)

Municipal Improvements (\$950,000)

- Enhanced City-Wide Info System (Servers, Mass Storage, Network Imp, etc. - \$950,000)

Issuance Costs (\$25,000)

SUMMARY

Hearing	Principal amount of Projects included in Hearing	Estimated Cost of Issuance	Adjusted Hearing Amounts
ECP-1	\$20,540,000	\$200,000	\$20,740,000
ECP-2	\$ 6,225,000	\$200,000	\$ 6,425,000
GCP-3	\$ 600,000	\$ 20,000	\$ 620,000
GCP-4	\$ 455,000	\$ 20,000	\$ 475,000
GCP-5	\$ 920,000	\$ 25,000	\$ 945,000
GCP-6	\$ 780,000	\$ 20,000	\$ 800,000
GCP-7	<u>\$ 950,000</u>	<u>\$ 25,000</u>	<u>\$ 975,000</u>
	<u>\$ 30,470,000</u>	<u>\$510,000</u>	<u>\$30,980,000</u>