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|  <p style="text-align: center;"><b>Council<br/>Communication</b><br/>Office of the City Manager</p> | <b>Date</b>  | April 26, 2010 |
|  | <b>Agenda Item No.</b> <b>60</b><br><b>Roll Call No.</b> <b><u>10-</u></b><br><b>Communication No.</b> <b><u>10-234</u></b><br><b>Submitted by: Allen McKinley, Finance Director</b> |                |

**AGENDA HEADING:**

Public hearings regarding the issuance of general obligation bonds for the FY2010-11 Capital Improvement Budget.

**SYNOPSIS:**

Nine public hearings regarding the issuance of general obligation bonds for the FY2010-11 Capital Improvement Budget. This is the first step in the process to finance the construction of capital projects totaling \$27.23 million.

**FISCAL IMPACT:**

Amount: \$27,625,000; \$27,230,000 project costs and \$395,000 issuance expenses.

Funding Source: Fiscal Year 2010-11 Operating Budget:

- Property Tax Debt Service Levy – Debt Service Fund – DS001 FIN900100, Page 116.
- Tax Increment Fund – Special Revenue Fund – SP370 FIN909105, Page 117.

**ADDITIONAL INFORMATION:**

A public hearing must be held prior to any borrowing by the City. This hearing is to consider bonding for the FY2010-11 Capital Improvement Budget that was approved by City Council on February 22, 2010. City staff reviewed projects that anticipated the availability of non-city funding to determine the certainty of those funds. The final sizing of the bonds will occur at the May 10<sup>th</sup> Council meeting. Below is the current status of non-city funding related to the projects that will be funded in part with bond proceeds from this issuance. The results of the staff review are outlined below:

- Grand Avenue Bridge over Walnut Creek (\$1,000,000 federal grant committed)
- Energy Conservation Program (\$1,982,300 ARRA stimulus committed)
- First Tee (\$650,000 county and private *uncommitted*)
- Recreation Trails (\$300,000 federal grant committed)
- Beaver Avenue Streetscape (\$850,000 private *uncommitted*)
- Neighborhood Traffic Control (\$159,560 state grant committed)
- City-Wide Paving (\$21,000 DMWW committed)
- Signal Channelization (\$320,000 state grant committed)
- Traffic Signal Interconnect (\$390,000 federal grant committed)
- East Indianola Widening (\$2,133,661 federal & state grants, DMWW committed)
- Southeast Connector (\$2,500,000 federal grant committed)

SW 9<sup>th</sup> and Dart Lane (\$300,000 federal grant committed)

Des Moines has received additional grant funding for three projects that will allow for a reallocation of bonds to other projects within the constraints of the public hearing process that are outlined below:

REDUCTIONS

- Fire Maintenance/Logistics Facility: \$3,000,000 tif backed bonding
- SE Connector – SE 6<sup>th</sup> to SE 14<sup>th</sup>: \$500,000 tif backed bonding
- East Indianola Widening: \$500,000 levy backed bonding

ADDITIONS

- Street paving: \$390,000 levy backed bonding
- SE 6<sup>th</sup> Widening: \$600,000 tif backed bonding
- Downtown street improvements: \$2,900,000 tif backed bonding

The net change from these actions is a \$110,000 reduction in levy backed bonding. However, the award of the Energy Building Monitoring System grant (also on the agenda) requires a \$110,000 local match that cannot be managed within this hearing process. Therefore, a separate hearing process is being undertaken to issue \$110,000 of bonds for this project that will be completed by May 10<sup>th</sup> and incorporated into the final council authorization and will equal the adopted CIP bonding level that is also scheduled for the May 10<sup>th</sup> council meeting.

The hearing allocations as advertised are based on the adopted budget summarized below and are detailed in a list at the end of this communication.

| <u>CATEGORY</u>                   | <u>AMOUNT</u>       |
|-----------------------------------|---------------------|
| • Bridge Improvements             | \$ 2,000,000        |
| • Fire Protection Improvements    | \$ 5,195,000        |
| • Library Improvements            | \$ 1,030,000        |
| • Miscellaneous Improvements      | \$ 2,900,000        |
| • Municipal Building Improvements | \$ 1,105,000        |
| • Park Improvements               | \$ 5,635,000        |
| • Street Improvements             | \$ 9,365,000        |
| <b>TOTAL PROJECT IMPROVEMENTS</b> | <b>\$27,230,000</b> |
| <u>Issuance Costs</u>             | <u>\$ 395,000</u>   |
| <b>TOTAL BOND ISSUE</b>           | <b>\$27,625,000</b> |

**PREVIOUS COUNCIL ACTION(S):**

Date: April 12, 2010

Roll Call Number: 10-509

Action: Resolution electing classifications and procedures for proposed bond projects. Moved by Hensley to adopt; refer to the City Manager to provide a report at the hearing regarding the status of non-city funding related to the projects funded in part with bond proceeds. Motion Carried 7-0.

Date: February 22, 2010

Roll Call Number: 10-295

Action: On proposed Annual Budget for fiscal year ending June 30, 2011 and adopting the Capital Improvements Program (CIP) for 2010/11 – 2015/16. (Council Communication No. 10-107) Moved by Coleman to adopt. Council Member Hensley votes No on the Mayor/Council Budget. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

May 10, 2010: Directing sale of bonds and approval to release preliminary offering statement.

June 2, 2010: Special Council meeting to award low bid on sale of bonds.

June 14, 2010: 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](mailto:cityclerk@dmgov.org).

**PROJECT CLASSIFICATIONS**  
**and**  
**HEARINGS SUMMARY**

**ECP-1**

**NOT TO EXCEED \$16,365,000**  
**GENERAL OBLIGATION BONDS**  
(Misc. Essential Corporate Purposes)

Bridge and Viaduct (\$2,000,000)

- Grand Avenue Bridge over Walnut Creek (\$2,000,000)

Fire Protection Improvements (\$435,000)

- Equipment Acquisition (\$435,000)

Miscellaneous Improvements (\$2,400,000)

- Removal of Underground Fuel Storage Tanks (\$25,000)
- Neighborhood Finance Corp. (\$1,070,000)
- Neighborhood Development Corp. (\$1,000,000)
- City Tree Replacement Fund (\$55,000)
- City-Wide Radio System Improvements (\$250,000)

Parks Improvements (\$3,390,000)

- Cemetery Infrastructure and Improvements (\$205,000)
- Fort Des Moines Stabilization Projects (\$40,000)
- Forestry Improvements (\$100,000)
- Gray's Lake Park Improvements (\$150,000)
- Neighborhood Park Improvements (\$700,000)
- Park Building Improvements (\$750,000)
- Park Redevelopment (\$535,000)
- Public Art (\$200,000)
- Recreation Trails (\$660,000)
- Urban Conservation Projects (\$50,000)

Street Improvements (\$7,940,000)

- Beaver Avenue Streetscape (\$260,000)
- Asphaltic Paving Restoration (\$800,000)
- City-wide Paving (\$700,000)
- Concrete Curb & Median Replacement (\$570,000)
- Concrete Paving Restoration – PW (\$575,000)
- SW 9<sup>th</sup> Street and DART Lane Intersection (\$300,000)
- E. Indianola Widening - S.E. 14<sup>th</sup> to Army Post Road (\$1,000,000)
- McKinley Ave. Widening (\$1,400,000)
- Merle Hay Rd and Urbandale Ave Intersection (\$100,000)
- Neighborhood Infrastructure Rehabilitation Program (\$1,090,000)
- Railroad Street Crossing Improvements (\$50,000)
- School Routes and Priority Sidewalks (\$75,000)
- Sidewalks – ADA Compliance (\$100,000)
- SW 9<sup>th</sup> Street Widening - Titus to Kenyon (\$150,000)
- Streetscape Projects (\$240,000)
- City-Wide Sidewalk Replacement Program (\$265,000)
- City-wide Traffic Signal Interconnect (\$100,000)
- City-wide Signals, Channelization (\$100,000)
- City-Wide Neighborhood Traffic Control Program (\$65,000)

Issuance Costs (\$200,000)**ECP-2****NOT TO EXCEED \$6,050,000  
GENERAL OBLIGATION BONDS**

(Essential Corporate Purposes - Urban Renewal)

Fire Improvements (\$4,500,000)

- Central Fire Station Replacement (\$1,000,000)

- Maintenance/Logistics & Training Campus (\$3,500,000)

Parks Improvements (\$75,000)

- Principal Park Stadium Improvements (\$75,000)

Street Improvements (\$1,425,000)

- SE Connector – SE 6th to SE 14th (\$1,425,000)

Issuance Costs (\$50,000)

**GCP-3**

**NOT TO EXCEED \$925,000  
GENERAL OBLIGATION BONDS**

(General Corporate Purposes - Library)

Library Improvements (\$905,000)

- Collection Additions and Replacement (\$580,000)
- South Branch Parking Lot Renovation (\$325,000)

Issuance Costs (\$20,000)

**GCP-4**

**NOT TO EXCEED \$995,000  
GENERAL OBLIGATION BONDS**

(General Corporate Purposes - Municipal Buildings)

Municipal Building Improvements (\$975,000)

- ADA Modifications (\$500,000)
- Municipal Building Reroofing (\$80,000)
- HVAC, Electrical, & Plumbing Imp (\$225,000)
- Municipal Building Improvements (\$150,000)
- Public Works Building Improvements (\$20,000)

Issuance Costs (\$20,000)

**GCP-5**

**NOT TO EXCEED \$535,000  
GENERAL OBLIGATION BONDS**

(General Corporate Purposes – Fire, Library, and Municipal Buildings)

Fire Protection Improvements (\$260,000)

- Fire Station Remodeling (\$260,000)

Library Improvements (\$125,000)

- Miscellaneous Library Improvements (\$125,000)

Municipal Building Improvements (\$130,000)

- Energy Conservation (\$100,000)
- Parking Lot Rehabilitation (\$30,000)

Issuance Costs (\$20,000)

**GCP-6**                                 **NOT TO EXCEED \$905,000**  
**GENERAL OBLIGATION BONDS**  
 (General Corporate Purposes – Parks)

Park Improvements (\$885,000)

- Blank Park Zoo General Improvements (\$475,000)
- Community Center Improvements (\$165,000)
- Swimming Pool and Aquatic Improvements (\$130,000)
- Wading Pool Improvements (\$115,000)

Issuance Expense (\$20,000)

**GCP-7**                                 **NOT TO EXCEED \$520,000**  
**GENERAL OBLIGATION BONDS**  
 (General Corporate Purposes – Miscellaneous Improvements)

Miscellaneous Improvements (\$500,000)

- Enhanced City-Wide Info System (\$500,000)

Issuance Costs (\$20,000)

**GCP-8**                                 **NOT TO EXCEED \$330,000**  
**GENERAL OBLIGATION BONDS**  
 (General Corporate Purposes - Parks)

Park Improvements (\$325,000)

- First Tee (\$325,000)

Issuance Costs (\$5,000)

**GCP-9**                                 **NOT TO EXCEED \$1,000,000**  
**GENERAL OBLIGATION BONDS**  
 (General Corporate Purposes - Parks)

Park Improvements (\$960,000)

- Blank Park Zoo Sea Lion Exhibit (\$960,000)

Issuance Costs (\$40,000)

**SUMMARY**

| <b>Hearing</b> | <b>Project(s)</b>    | <b>Issuance</b>  | <b>Total</b>        |
|----------------|----------------------|------------------|---------------------|
| ECP-1          | \$ 16,165,000        | \$ 200,000       | \$16,365,000        |
| ECP-2          | 6,000,000            | 50,000           | 6,050,000           |
| GCP-3          | 905,000              | 20,000           | 925,000             |
| GCP-4          | 975,000              | 20,000           | 995,000             |
| GCP-5          | 515,000              | 20,000           | 535,000             |
| GCP-6          | 885,000              | 20,000           | 905,000             |
| GCP-7          | 500,000              | 20,000           | 520,000             |
| GCP-8          | 325,000              | 5,000            | 330,000             |
| GCP-9          | 960,000              | 40,000           | 1,000,000           |
| <b>TOTAL</b>   | <b>\$ 27,230,000</b> | <b>\$395,000</b> | <b>\$27,625,000</b> |